THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. SINGLE COPIES, 10 CENTS PUBLICATION OFFICE: TORONTO, JUNE 21, 1919 ANNUAL SUBSCRIPTION $3.00. No. 25

GUELPH MAY LINK WITH C.P.R. RATHER THAN WITH HYDRO

A Fourteen to One Vote Against Sir Adam by City Council

THE C.P.R. PROPOSAL

Would Give a Much Desired Southern Connection and Improved City Service Without Hydro Liability

Guelph, which has been known as the birthplace of public ownership in Canada and the home of such enthusiastic supporters of the Hydro cause as J. W. Lyon, Tom Hannigan, and G. Powell, Hamilton, the latter being secretary and treasurer respectively of the Municipalities' Union, is now seriously considering whether its transportation future lies with Sir Adam Beck and his Hydro radial scheme or with the Canadian Pacific Railway and the development of the municipal system to connect with the Grand Valley Railway and provide new feeders for the Guelph Junction line. From the fact that on Monday night last Sir Adam's effort to put through his scheme in characteristic fashion resulted in one favorable vote, that of Alderman Tom Hannigan (mentioned above) and that there were fourteen votes for further consideration of the matter, it would appear that opinion is favorable to the C. P. R. proposals. It is significant, too, that Sir Adam told the council, in urging favorable consideration of his proposal, that Guelph and other municipalities blocked his plans at this stage it would hold up the scheme for the present at least.

The relations of Guelph and the Canadian Pacific Railway are interesting and unique. Guelph built and owns the Guelph Junction line, which originally gave connection with the C. P. R. main line thirteen miles away. This line was leased to the C. P. R. on a percentage basis. Later it was extended through to Goderich and Guelph, and now gets a share in the benefits of the traffic of this new grain route.

Guelph also owns its municipal street railway system which has been badly run down and has long been a bill of expense. Now there is a proposal to enter into an arrangement by which the C. P. R. would operate this system and provide new equipment and a ten-minute service instead of the present twenty-minute schedule. This arrangement would also be worked out on shares. The deal would also include the extension of the system to Hespeler over a right of way owned by the city, and give a connection with the Grand Valley line of the C. P. R. and also the Lake Erie and Northern, another C. P. R. system. Points in favor of the C. P. R. proposals are:

1. Removing the burden of the municipal system and improving the service.
2. A southern connection financed by the C. P. R.
3. Increased traffic on the Guelph Junction, in which the city would share.
4. Closer relations with the C. P. R. which would probably prevent the company from ever building a new connection which would cut the Guelph Junction out of the through freight traffic.

The Hydro Proposals

Sir Adam's proposals would put Guelph on the Hydro Radial system, but against this those who favor closer relations with the C. P. R. submit:

1. A liability estimated at $700,000 in connection with the project.
2. Another east and west connection which is not particularly needed. The Toronto suburban already gives an eastern radial.
3. The Hydro system would have a tendency to undermine freight traffic on the C. P. R. and thus reduce the city's profits from the Guelph Junction.

The Present Issue

The issue before the council on Monday night was for a confirmation of the original arrangement with the city in regard to the Hydro radials. At the last session of the Ontario Legislature the Act was amended, necessitating a change in the agreement with the various municipalities to guarantee an additional ten per

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MONTREAL STREET CAR PAY

Further Large Increases to be Made —The Railway Strike

By Resident Representative.

MONTREAL.—Large increases in wages have been granted the Montreal Tramway employees, and THE FINANCIAL POST learns that the commission is considering again increasing fares to cover this additional cost, and that from August on, fares are likely to be 7 cents cash, or four for a quarter in the place of 6 cents cash or five for a quarter as now compared, with 5 cents cash and six for a quarter a year ago.

It is believed in railway circles that the threatened shopmen's strike of 35,000 men has been postponed indefinitely and that no action will be taken until a decision is reached in the States. This was the stand taken by the Railway War Board, which refused to consider increases until the question was settled across the border.

UNABLE TO GET ANY INFORMATION FROM THE C.M.A.

Minister of Marine, Former President, Wants Details Re Tonnage Needs

By Resident Representative.

OTTAWA.—At its recent meeting in Toronto the Canadian Manufacturers' Association passed certain resolutions regarding the necessity for an increase of shipping facilities by purchase, lease or building, and forwarded the same to the Dominion Government. When this was brought to the attention of the Minister of marine, a former president of the C.M.A., he showed some signs of impatience. "It is now about ten months, quite a time before the war ended, since I requested Mr. Walsh, the traffic manager of the Canadian Manufacturers' Association, to furnish me with a statement showing the amount of tonnage the association had or could secure for export business, when it would be ready, and from what points the shipments would be made. This was in order to give us an idea of what marine tonnage they would need. I have never had a reply to that request. I also made the same request to Mr. G. M. Murray, who said that he would see that the information was forthcoming but that produced no more effect.

"It seems to me that the first thing for the manufacturers to de before passing or forwarding a resolution of this kind, is to send that statement asked for so long ago."

The complaint is very common in different departments having business with the Canadian Manufacturers' Association that there is a great deal of loose talking and urging about export business, and not enough concerted effort to secure it. The first move for the manufacturers is to circularize their membership as to the quantity of goods they have or expect to have, and when they will be ready for shipment. It is understood the C.M.A. was asked to give a statement to Mr. Hanna, of the Canadian National Railways.

I am told that a ship of the Canada Steamships, Ltd., recently loaded at Montreal for France and had to scour the United States for part of her cargo, otherwise she would have gone partially empty.—T. M. F.

$30,000 FOR EXCHANGE SEAT

Figure Equals The High Record at Montreal

MONTREAL.—A stock exchange seat sold this week for $30,000. This price is equal to the highest ever paid for a membership on that exchange. The previous sale took place about 2 months ago, the price being $26,500, or $3,500 under the level established to-day.

During the past few months, there have been several people in the markets for seats on the exchange, and consequently, what seats were for sale were either taken up quickly or were held for higher prices.

ROYAL IN SOUTH AMERICA

Will Have Branches in Five Different Countries

MONTREAL.—The Royal Bank will shortly open up branches in Brazil, Rio de Janeiro, in Argentine, at Buenos Aires, and in Uruguay and Montevideo. With branches already in Venezuela, British Guiana, the bank will be represented in five South American countries.

GENERAL RAINS REPORTED FROM CANADIAN WEST

Grasshopper Epidemic Being Checked — Cooler Weather Wanted

STRIKE CAUSES LOSS

Marketing of Agricultural Products Being Seriously Interfered With—Cost of Living Boosted as Result

By E. CORA HIND,
Commercial Editor Manitoba Free Press

WINNIPEG.—Since last wire there have been general electric storms over the West, followed by very heavy rains. The Winnipeg storm with its velocity of eighty-four miles an hour was a record breaker for the Red River Valley, but does not seem to have seriously damaged any material percentage of crops even in the immediate vicinity of the city. There was no hail here. Special telegraphic reports indicate that the storm, which came from the north and west, extended as far west as Swift Current, and north to Prince Albert, but varied much in intensity in the different localities. Hail was reported from a few points but no serious damage seems to have resulted, while the increased rainfall has done an enormous amount of good. The districts which were reported dry last week have practically all got rain since that time and crop conditions are certainly excellent.

Old-timers would like to see little cooler weather, but as long as the rain is ample the heat will do no harm. Cooler weather would make a stouter straw.

The heavy rains have pretty well obliterated the cut worm and have had some effect on the grasshoppers. These pests have now appeared at some points in Saskatchewan fully two hundrd miles from the point of first infection. However, Norman Criddle of the Dominion Entomological Bureau reports good work in checking them, the only difficulty being the indifference of some of the farmers. There are now pretty full supplies of all the ingredients, for the demand is large and steady in both Manitoba and Saskatchewan. Mr. Criddle reports the counting of 106 dead hoppers on one foot of land.

Winter rye is reported as well headed out at a number of points, and much wheat is now in the shot blade. Considerable alfalfa has been cut and more will be cut next week. The hay crop, both native and cultivated, will be rather short.

Strike Causes Loss

The strike, which certainly shows signs of disintegrating, has caused enormous loss to the farmers. The difficulty of getting cream to creameries and the holding of eggs in storage in small towns where they are rapidly decaying is only the beginning of trouble for the farmers. Wool sacks and sheep dip have been held up, and summer fallows lie unplowed because parts and repairs for tractors and plows cannot be obtained. Livestock receipts have been reduced to a minimum, and hog cars have been delayed as many as three days at a single point, resulting in great suffering to the hogs and great loss to the farmers.

With regard to cattle, Manitoba is suffering more than the other provinces because, owing to her great supply of feed last winter, her cattle came through in better condition and more of them are ready to market at the present time than in either Alberta or Saskatchewan. The hog market here has advanced to $21.50, but even that advance will not cover the farmers for the losses on dead hogs.

The high cost of living has certainly got a boost with the strike. The make of butter for the last half of May and the first half of June is only fifty per cent. of the same period last year, when the season was backward and grass very short. There is a slight improvement in quality the past ten days, but even yet the percentage fit for winter storage is small, this is of course due to the delays in cream reaching the factories.

There really has been no shortage of food in the city, and the City Council has seen to it that bread and milk and ice have been supplied the citizens. Up to the present it is the farmers who are making the heavy losses, but next winter the consumers will feel the pinch.

Misrepresenting the Manufacturer

> Every editorial table in Canada has for months been ladened with slush about "buy Canadian made goods, be patriotic, and thus help pay off the national debt."
>
> The debt has increased sixfold since 1914 and approximates $1,500 for each family in the Dominion. We are told that imports from the United States exceed $400,000,000 per year, and that much of this could be cut out if the public would take up the slogan, "Buy Canadian made wares." Why do we import? Because we want the stuff and cannot get Canadian made; its quality is inferior, or its price excessive.
>
> The common people are loyal to the core, and have proved it by 500,000 enlisting in their country's service at $1.10 per day. The patriotic buying campaign wants shifting. Train the industrial magnates and merchant princes to produce good articles and to sell them at fair prices. If training is not effective, compel them to do it or get out. Our industrial magnates and big financiers proved their lack of patriotism by steady profiteering through all the years of war to the limit that monopoly and tariff protection permitted, numbers of them putting it over the war department in graft prices for junk, homesteading horses, Ross rifles, Hughes spades, useless trucks and other things too numerous to mention. Their sons proved want of loyalty by enlisting only when they could get commissions, in which many were too craven to make good, or get safe berths at big pay behind the lines. A few notable exceptions doesn't affect the rule.
>
> More to help these plutes than to pay the country's debt is the campaign to buy Canadian made wares carried on, but most of the people are now wise to it. Only when the Government enacts good stiff graded income and profits tax measures and enforces them will the people believe there is sincerity behind the "made in Canada" campaign.

The above is from the May 27 issue of the *Witness*, a rural weekly serving the readers of Birtle, and surrounding villages and district in Manitoba. It is typical of what hundreds of newspapers are printing, and what hundreds of thousands of persons are saying, right across Canada, about the manufacturers and those interested in manufacturing.

The sad part is that there is very little basis for it in facts, but an awful lot of excuse for it in the shortsighted attitude and idiotic policy of a few manufacturers and their jumping-jack, self-assumed apologists like S. R. Parsons and his lieutenant, Sam Harris. As has constantly been shown by THE FINANCIAL POST an overwhelming majority of our manufacturers have done more for the upbuilding of Canada than any other class. They have worked harder, made more sacrifices. I know what I am writing about. I know the inside story of the romantic ups and downs of scores of the industrial leaders who are being condemned to-day because their efforts have been misunderstood and their ambitions misrepresented. Work well done, not money, has been the measure of their rewards. Loyalty to their employees and country has been their guiding policy, not selfishness.

Because the Parsons-Sam Harris clique in the Canadian Manufacturers' Association cause them to be misunderstood we have all Canada thinking the views so bluntly expressed by the *Witness*. The result has been the heavy war profits taxes—justified in some cases, but most unfair, and very detrimental to the future of many industries who are not able to build up the necessary reserve funds for carrying them through the serious times ahead.

But worse still is the latest proposal discussed in agricultural and labor circles that the State take all capital over $50,000 to pay off the war debts and reduce the cost of living, and something of the sort will come unless the public are put right.

Lloyd Harris, manufacturer, salesman, financier, remarkably successful Trade Commissioner and a $50,000 a year type of general manager, told the C. M. A. what was needed. He said the greatest problem manufacturers are facing was not the "making," but the "selling" of Made-in-Canada products, that the average member could turn out high quality goods most successfully, because his whole mind was engrossed with production problems, but he did not understand the first principles of selling. He instanced cases where C. M. A. members actually repelled their best friends—most important and influential interest that wanted to help Canada and do business with Canadian manufacturers.

The first and great principle in selling is to create a favorable impression, secure the confidence and maintain the friendly attitude of the buyer. The work of the Canadian army so cleverly and deservedly advertised to the world by Lord Beaverbrook, caused everything Canadian to be idolized. But here in Canada the selfishness of a few manufacturers and the short-sighted policy of a group of pinheaded, picayune busybodies who have been directing the affairs of the C.M.A. is estranging the farmers, the labor unions, clergy, returned soldiers and merchants.

As an experienced sales manager would put it, the C.M.A. has not sold the manufacturers of Canada to their customers, the general public. The way to do it is to eliminate the Parsons-Sam Harris type from any voice in the Association—the necessity for it will be realized by reading the comments on them at the annual meeting—and the placing of the affairs under the direction of a man of the Lloyd Harris type.

EXPLAINING MR. PARSONS

By J. B. Maclean

THE POST, having pointed out that S. R. Parsons, though the immediate ex-president of the Canadian Manufacturers' Association, did not represent the views of the Association, I was attacked by that gentleman and his henchman, Sam Harris, before about one hundred of the 3,500 membership at the annual meeting last week, and they did not adhere to the truth to make their points.

The facts are that there has been a general complaint about Mr. Parsons' activities in the name of the C.M.A. and two or three times it was suggested that we give him a hint in our columns that while his intentions were good, he was really misrepresenting the views of manufacturers and creating a wrong impression among the public generally and particularly in certain influential sections, such as farmers—and a letter from W. C. Good was published, proving this—labor unions, the churches, returned soldiers and finally the merchants. Also he championed the combines, but nothing was said, however, until the *Globe* printed a letter from him suggesting that the place to look for the combines, the high cost of living and profiteering, was among the merchants. That would naturally create strong resentment among the retail merchants right across Canada. As Mr. Parsons had always assumed to speak for the C.M.A., the inference to be drawn was that this great body desired the public to investigate the retailers. For many years the merchant has been ignored in the selling plans of the manufacturers. They were in the "Made-in-Canada" campaign in 1914 because the young men who directed that were unfamiliar with selling problems. But one of the experienced members, Mr. Wardleworth, general manager of National Drug Co., made a strong protest in a personal letter to every manufacturer in which he showed the place of the merchant and his great influence as a salesman. This started hundreds, whose whole lives had been given to production problems only, thinking along selling lines. Many investigations were undertaken and Mr. Wardleworth's experience was confirmed. The merchant can make or kill the sale of any article and they are a necessary factor in building up the "Made-in-Canada" idea. More than that, I am happy to say I have found them most sympathetic. They would prefer to sell "Made-in-Canada" goods. But when the mouthpiece of the Association, Mr. Parsons, goes out of his way, quite unnecessarily, to suggest they are the "profiteers," it was time to repudiate Mr. Parsons, to tell the merchants and the public generally that he did not speak for the C.M.A., but, in fact, misrepresented the membership.

An incident at the meeting confirms this. Mr. Bittues, Montreal, moved the Association express confidence in Mr. Parsons, Mr. Murray and the

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OTTAWA INQUIRY SHOULD BE ON A BUSINESS BASIS

Charges of Profiteering Are Being Recklessly Made

QUESTION TURNOVER

Public is Most Concerned With Margin of Profit on Goods Consumed — Guilty Deserve Condemnation

By Resident Representative.

MONTREAL—If advantage has been taken of abnormal conditions during the war or since the war by any manufacturer of Canada, any wholesaler, any retailer, or other handler of commodities that reach the public, the business world will offer no defence of such. That is a matter that is a fit subject for investigation, if it will serve a useful purpose, and in such instance might reasonably include not only the manufacturer and the intermediaries, but the farmer and the consumer himself in his relation to wages or salary.

What is essential, according to opinions expressed to THE FINANCIAL POST, is that such an inquiry should be conducted fairly towards those under investigation; and that the investigator before the Parliamentary Committee, and members of the committee itself, should not use their position to present wrong, unfair or dishonest conclusions to a public whose exasperation at the heavy cost of the essentials of life puts it in a mood where it is only too ready to thrust the blame on any scapegoat that may be offered.

Two or three glaring cases of this stood out on the opening day of the investigation into the profits of the textile companies this week. They were so glaring that they suggest ignorance of a pronounced nature on the one side, or the less pleasing alternative of a cheap attempt to pillory the manufacturer for political capital. In one instance R. A. Pringle, K.C., counsel for the committee, insisted on figuring profits on the capital of the Paton Manufacturing Co., which was $600,000, paid up in full, it might be mentioned. But this, as Mr. Pringle knew full well, represented only a small portion of the "working capital," the money in actual use in the business, the money that enabled the company to fill unusually large orders not only for domestic consumption, but for export. There was a surplus at the end of

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THE POST

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The United States Post Office requires the following information on copies of this publication going to the United States:—
THE FINANCIAL POST, June 21st, 1919, Volume XIII., No. 25. Published weekly at 143-153 University Avenue, Toronto, Canada, by The MacLean Publishing Company. Yearly subscription price $3.00. Entered as Second-class matter July 1, 1912, at the Post Office at Buffalo, under the Act of March 3, 1879.

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AN AMERICAN MARKET FOR OUR NEW SECURITIES

Mr. Pease Argues That It Is Good Business for United States

BALANCE OF TRADE

New York Sun Says That Finances Should Be Provided Canada to Facilitate International Trade

NEW YORK.—The necessity for providing a market in this country for an increasing volume of Canadian securities is being brought home to the business community. It is a matter of self-interest for American industry. Canada is the "best customer of the States and the balance of trade is largely against her in international relations. In order that she may pay for her purchases, therefore, and that exchange may thus be righted, it is important that New York should replace London as her financial market. The situation is emphasized in an article by Edson L. Pease, chairman of the Royal Bank and president of the Canadian Bankers' Association, in the Sun, which outlines the efficient manner in which financing and the part which has been played therein by the Canadian banks. This article concludes:

> Suddenly thrown upon its own financial resources, Canada proved equal to a great emergency, but new problems now arise. Impoverished Europe is the natural market for our exports, and if our trade with that continent is to be maintained in full volume, we must continue for some years, in co-operation with the Government, to afford credit for the commodities supplied. For the goods we import our principal source of supply is the United States, whose best customer, next to Great Britain, we have become. Each succeeding year sees an increased balance of trade in its favor, until this has become enormous.
>
> Canada in the past has leaned heavily upon Great Britain, and it was mainly through the sums received from abroad for development and investment purposes that we were able to adjust the annual trade balance due to the United States. This source of revenue is now closed, and if the republic hopes to maintain her growing trade with us two conditions are vital: exchange must be stabilized and facilities must be afforded to enable us to pay for our purchases. Both these ends may be attained by investments in our public loans and municipal and other debentures, which are among the safest and best securities in the world. In this way the United States will find a remunerative outlet for the surplus capital which it has accumulated and at the same time improve its trade with Canada. Moreover, the community of interest which has so long existed between the two countries will be fostered and increased, to the advantage of both.

The Sun editorially endorses Mr. Pease's views and advocates every consideration in providing an American market for Canadian securities. The following heads Tuesday's editorial page (two pages of that issue being devoted to Canadian commercial and financial affairs):

> Canada is marketing a huge volume of her products in this country, and Canada puts the proceeds into our goods. Canada is selling a lot of her securities in this market, and Canada puts the proceeds into our goods. Canada is arranging large trade credits here to buy more of our goods. Canada is looking for every legitimate means of financing here to continue the prodigious business which she has been doing with us.
>
> In all our foreign commerce there is no trade that is easier to transact than our trade with Canada. There is no trade that yields better returns. There is no trade that is a safer investment; for whether American capital is going now into securities of the Dominion, securities of the Provinces or securities of well selected corporations, there is behind those securities the strongest bulwark there can be—the intelligence, the industry, the faith of a strong, hard working, progressive people possessed of an immeasurable natural wealth.
>
> No Government can be sound if the nation behind it is not sound, and Canada is sound to the core. No country can be prosperous if its workers are not prosperous, and no workers have ever been more prosperous than the Canadian are to-day. No nation can be rich if its wealth is not lodged in its population, and it is right there that the wealth of Canada is lodged. From the trustworthy *MacLean's Magazine*, published in Toronto, we extract the following figures of the continued growth of savings deposits in Canadian banks:

August, 1914	$ 650,399,000
January, 1915	666,960,000
January, 1916	714,264,000
January, 1917	864,162,000
January, 1918	900,314,000
January, 1919	990,000,000
March, 1919	1,037,851,000

> The population of Canada does not yet number a round 10,000,000. The people of Canada have bought their war bonds, as our people bought our war bonds, to the limit. The nation of Canada during the war has not merely discharged the great part of its previous obligations across the seas; it has become a creditor nation with its parent, Britannia. The people of Canada, richer than ever, working harder than ever and doing more business than ever, are the security behind the loans and other credits, public and private, which are made in this country with our Northern neighbor.
>
> We must finance Canada for our own sake no less than for Canada's. Our capital can work no greater advantage to itself and to our whole country than to take care of the financial needs of Canada as a first American duty and privilege.

TORONTO STOCK EXCHANGE

Geo. W. Blaikie is Successor of H. R. Tudhope as President.

At the annual meeting of the Toronto Stock Exchange George W. Blaikie, vice-president for the past two years, was elected president in succession to H. R. Tudhope. The following officers were also elected: Vice-president, E. G. Wills, Brouse, Mitchell & Co.; secretary, H. Franks, Osler & Hammond; treasurer, C. E. Abbs, A. E. Ames & Co.; committee—J. C. Fraser, F. H. Deacon & Co.; D. S. Cassels, Cassels & Biggar; O. Heron, Heron & Co.

Later the annual meeting of the Toronto Stock Exchange Clearing House was also held, and the old directors, headed by President A. P. Burritt, were all re-elected.

OLE HANSEN AND WINNIPEG STRIKE

Fighting Mayor of Seattle Thinks Kid Gloves Used Too Much by Mayor Gray

MINNEAPOLIS—When Mayor Ole Hansen, of Seattle, was in Minneapolis recently he expressed the opinion that the Winnipeg strike would have been of only a few hours' duration if the Mayor of Winnipeg had acted promptly and taken a firm stand, and notified the radicals that all the business of Winnipeg under the city government would proceed as usual, and that no interference would be tolerated for a moment from any strikers or their sympathizers. Such a statement put out in Seattle brought order out of chaos in that city within a few hours. Mr. Hansen thinks it would have had the same effect in Winnipeg also, if action had been taken at the proper moment by the Mayor.

There is here a story which has however been given full credence that the Russian Bolshevists in Chicago are furnishing most of the money to carry on this sympathetic strike in Winnipeg.

The Commercial West expresses an opinion held in some quarters that the Winnipeg uprising is causing public opinion to react against the strike as a lever of organized labor: "The general strike tie-up which has paralyzed all lines of business in Winnipeg for several weeks is another demonstration that the strike weapon belongs to the age of the cave man and has no place in modern civilized communities."

SCRAP METAL MARKETS

Decided Improvement Reported in the Situation

There is a decided improvement shown in scrap metal markets. Dealers hesitate to mark prices up to high levels because they are not certain they will last. However, they are prepared to admit that values are better than indicated by the lists now prevailing. Montreal dealers took the move this week and put prices ahead, and the chances are that dealers in this district will do the same thing shortly.

United States market is stronger for copper and brass than for some time past, and is taking pretty fair shipments from some of the larger Canadian markets. Any improvement here will come as a result of the movement in United States markets.

Canadian foundries and mills are still buying short on scrap. If they need material they secure just what they need, and no more, although dealers are certain and emphatic in their statements that now is the right time to buy, as it will take only a very small buying movement to start prices on the upgrade.

SIR ADAM WAS WRONG

London Clerk Did Not Sign Letter Used in Whitby Campaign

A couple of weeks ago reference was made to Sir Adam Beck's lobby of the London City Council to secure the "head" of Clerk S. Baker, who was charged with having written a letter used against Hydro propaganda in the recent by-law campaign at Whitby. The London "Advertiser" now reports that Mr. Baker has received a letter from J. E. Wills saying that Sir Adam had no authority to state that the letter was written by him (Mr. Baker), such statement being without the slightest foundation in fact.

OIL GUSHER IN N. B.

A Good Strike Near Moncton at 2,622 Feet

MONCTON—The New Brunswick Gas & Oil Fields, Ltd., in the Stoney Creek field at well No. 18, about eight and a half miles from Moncton, in their deepening process have struck the most prolific and deepest oil sands yet found in this field at a depth of 2,622 feet. The oil came with such a gush that it flowed intermittently to the top of the derrick, a height of seventy feet above the ground. This is the first gusher struck in this field.

WHOLESALERS MUST PROVIDE A REAL SERVICE

Position Justified in the Economic Scheme of Distribution

MAIL ORDER HOUSE

Retailers Cannot Object to Fair Competition, But Post Office Should Not Lose Money to Work Against Them

By J. L. RUTLEDGE
Editor "Canadian Grocer"

Members of the wholesale grocery trade who appeared before the Cost of Living Commission in Ottawa on Wednesday to answer certain charges made a strong case of the economic usefulness of the wholesale grocery trade in the scheme of food distribution. They were charged by certain members of the York Trading Company, a newly incorporated company, with headquarters in Toronto, with unjustifiably shutting them out of the Ontario Wholesale Grocers' Association, and with prejudicing certain manufacturers against them. The defence of the wholesalers, represented by W. P. Eby and A. C. Pyke, president and secretary of the Wholesale Grocers of Ontario, and Hugh Blain, of Eby, Blain & Co., Toronto, and H. C. Beckett, of W. H. Gillard & Co., Hamilton, members of the association, was that they were not convinced that the company in question was a bona fide wholesale concern, and that to give them special privileges without assuring themselves of this point was to give them an unwarranted advantage over other retailers.

While disclaiming that any influence had been brought to bear on the manufacturer, they freely admitted that the manufacturer was at liberty to deal directly with the retailer if he so desired, but that he could not expect to deal with both the retailer and the wholesaler. In this connection the mail order houses came in for some criticism, it being claimed that the same condition of unfairness prevailed where the mail order house bought direct from the manufacturer at jobbers' prices.

In as far as these contentions go, there seems no reasonable ground for maintaining the system of distribution through the wholesaler unless that is proven to be a really effective way of handling the business. There was no attempt on the part of the witnesses to contend otherwise. "If the wholesaler cannot distribute more economically than the manufacturer," said Mr. Blain, "then he should be abolished."

The Wholesaler's Position

That the wholesaler is not a mere parasite, but does give a very definite service is a fairly well established fact, a fact that is evidenced by the manufacturers selling through that medium. Manufacturers to-day are not likely to give a share of the profit to the wholesaler for the altruistic purpose of giving him a living. They have used this method of distribution, because the wholesaler selling his many lines with one selling organization, can spread the costs that would have to be borne by the manufacturers on one line. The fact that the wholesale trade has existed this long is a fair indication that it provides a real economic service in the scheme of distribution, that it can render more economically than anq other agency.

The strictures against the mail order houses would appear to be justified only in as far as there are unwarranted privileges being given to these organizations. If they serve the public better as a medium of distribution between the manufacturer and the consumer and if they can absorb successfully the services of the wholesale and retail trades, then there can be no just cause of complaint. There is cause for complaint, however, as was very definitely stated during the course of the investigation, if these large concerns are practically subsidized by special mailing privileges given them. It was urged that the parcel post, which was the great agency of the mail order house, was not paying its way. Granting the truth of this assertion, there is no question that a parcel post that does not pay its way, becomes a virtual bonus to the firms that monopolize its services. In so far it is not proving itself as an improvement over the long established methods of distribution, through the wholesaler and retailer, and can in no wise be considered as an improvement on that service.

Internal Trade Commission

The Internal Trade Commission that is urged by the wholesalers as a means of keeping these questions of business continually under observation, with the idea of eliminating any links of the chain of distribution that may prove to be inefficient and of generally co-relating the different branches of the trade, so that they may render a real service, is a scheme that seems well worthy of serious consideration.

FUTURE OF OIL INDUSTRY

As Important in Peace as in War Developments

NEW YORK—A. C. Bedford, chairman of the board of directors of the Standard Oil Co. of New Jersey, has just returned from Europe. He predicts that the oil industry is destined to play fully as important a part in the development of the industries of peace as it had done in the war.

It is believed in certain quarters that Mr. Bedford was in touch with important international oil negotiations. These, it is said, involve the Anglo-American Oil Co., which is the largest oil marketing company in Great Britain. The Anglo-American company is a Standard Oil organization.

PUBLIC OPERATION A GREAT DISASTER

But It is Hoped That Good May Come Out of Evil in United States

From Monthly Letter of Farmers' and Merchants' Bank, Los Angeles.

What was intended to be a pleasant excursion into state socialism, inaugurated when, under the cloak of a war measure, the Government seized the railroads of the country and later, after the armistice was signed, without the slightest justification, also seized the telegraph, cable and telephone lines, privately owned in America, has resulted in the greatest possible disaster, financially and otherwise, that ever overtook an administration in the United States.

The President himself confessed utter failure of the Government's administration of the railroads, in his last appearance before Congress, when he admitted that he had no solution of the question to offer. In his recent message to Congress, telegraphed from abroad, he unqualifiedly announced his intention of turning the roads back to their owners at the end of the calendar year.

Former Director-General McAdoo confessed failure when he resigned. He was intelligent enough to go while the going was good. His successor, on assuming the duties of his office, rather warmly advocated Mr. McAdoo's proposal that the Government should retain the roads for five years after the close of the war. His experience in the office held by him has caused him to change his views. He now advocates the return of the roads to their owners as soon as possible. In fact, everybody connected with the railroad administration in a governmental capacity is in great haste to be relieved of further responsibility. Congress will probably take such action as will again put the owners of our transportation system in possession of their property.

They will receive the roads bankrupt financially, with rolling stock impaired, roadbeds deteriorated, and the morale of all railroad employees destroyed. In addition to the above handicaps, the roads are loaded with unnecessary employees and increased labor charges, which will render it impossible for them to be run at all without continued increase of fares and freights. After the inconveniences experienced by it, during Government control, the travelling public will welcome any sort of a change.

And now comes the belligerent Postmaster-General and confesses that the job undertaken by him is too heavy a load for even his mighty shoulders! He is as anxious to get rid of the management of the cable companies as a baby is to discard an empty nursing bottle. He asks to be quick ly relieved of the telephone and telegraph lines. In eighteen months the best railroad service in the world, and, in a much shorter time, the best and most economical telegraph, cable and telephone system in the world, have been converted into the worst system of its kind in existence. The cost of this transformation, from the best to the worse, has been appalling in direct charges to the Government and indirect charges to the people at large. But these disasters have taught a lesson which will not soon be forgotten. The people of the United States have learned, by sad experience, that Government ownership of public utilities, so warmly advocated by socialists and dreamers, busybodies, who never accomplish anything for themselves, but are always trying to upset the established order of things, is not practicable or desirable. While the lesson has been a costly one, it may, in the end, prove to be worth the price.

LAND GAMBLING BY THE STANDARD RELIANCE CORP'N

Arrears of Dovercourt Land Interest Included in Mortgage

INVESTORS' OUTLOOK

Depositors and Debenture Holders Should Not Lose—Lack of Dividend Funds Brings the Crisis

The decision to appoint a receiver to work out the future of the Standard Reliance Mortgage Corporation in the best interests of the shareholders, debenture holders and depositors did not come as a great surprise in financial circles among those who understood and appreciated the rather precarious position of the company in recent years, but there had been no indication that such a course would be taken at this time. In fact, the situation is not one of collapse but rather of meeting the danger that such a state of affairs might develop in the near future. The immediate matter of consideration had to do with the continuation of the stock dividend. Good business demanded that the distribution cease and the decision for a receivership was due to uncertainty as to how such an announcement might affect depositors; in brief, such are general conditions that it was considered necessary to forestall a run.

The crisis in the affairs of the Standard Reliance has not been brought about by recent developments —which have included the death of Herbert Waddington, the managing director, and other members of the board and the disappointing sale of Lawrence Park lots—so much as by the culmination of financial factors which have been pressing for some years, the chief burden being the Dovercourt land venture, in which the company was heavily involved. The land company and the mortgage company were practically the same, the financial arrangement being that a blanket mortgage on the lands of the former was held by the latter. War conditions not only interfered with the plans of the land company for, realizing upon its assets profitably, but caused a reaction in values. Thus there was no revenue to meet interest payments on the mortgage after the payment of heavy taxes and other charges, and the mortgage was increased from time to time to cover the enlarged indebtedness. The recent sale was with the idea of endeavoring to clear up the situation, but in this respect it was a failure. This state of affairs is indicated by Liquidator Clarkson in the following paragraphs:

> "The Standard Reliance Loan Company owned the entire capital of the Dovercourt Land Building and Savings Company, and in addition has loaned that company about $3,500,000. The assets of the Dovercourt Land, Building and Savings Company consist entirely of improved and vacant property in Toronto and its vicinity. Interests on the loans of the Dovercourt Company has not been paid, but the Standard Reliance Company has taken them into its profits and turned them into the payment of dividends, adding the amount to its mortgage and taking a new mortgage every year.
>
> "Recently a sale of a large part of the Dovercourt properties was advertised and an amount was received which was very much below what the properties were expected to produce.

It was pointed out by THE FINANCIAL POST in reviewing the last annual statement that in order to maintain dividends the company had found it necessary to reduce its reserve funds—a dangerous policy. From such a course the conclusion can be drawn that the continued efforts to sell debentures—an expensive undertaking under the prevailing conditions—only resulted in securing liquid funds which went to meet expenses and pay dividends. THE FINANCIAL POST understands that since the first of the present month funds secured by the sale of dividends have been earmarked and will be returned, but there is no reason why such a course could not have been taken months ago in view of the information which the Government was in a position to readily obtain. The sale of stock might also have been prohibited under the circumstances until such time as the future became more clearly defined.

Sterling Trust Involved

The receivership, which may be directly attributed to the fact that the company departed from the established lines of conservative mortgage loaning to deal in speculative real estate, promises also to involve the Sterling Trust Company. For the present, however, the relations between the two companies are not clearly defined, and it is not possible to state the extent to which the latter may be involved. Liquidator Clarkson states that it is in somewhat the same relation to the Dovercourt company as the latter is to Standard Reliance, but that it may be found to be in a perfectly sound condition.

Position of Shareholders

A provisional balance sheet prepared by Mr. Clarkson indicates a substantial surplus of assets over liabilities and the position of the depositors and debenture holders appears to be fairly well assured as to eventual returns. The time required to effect the liquidation will depend to a large extent upon the development in the Toronto real estate market. The outlook for the shareholders and creditors is problematical, but they stand to fare reasonably well. Mr. Clarkson's summary follows:

Liabilities	
Deposits	$1,000,000
Debentures	4,000,000
Capital	2,600,000
	$7,600,000
Assets	
Dovercourt loans	$4,000,000
Mortgages	2,800,000
Quick assets	700,000
Other assets	700,000
	$8,200,000
Balance of assets over liabilities	$ 600,000

It is proposed to call a meeting of the creditors and the shareholders and to work out the organization of a new company. A capital of about $7,000,000 is proposed, the depositors and debenture holders to receive preferred stock and the shareholders and creditors common stock. The shareholders of the Standard Reliance Corporation number 2,320, most of the sums being from $200 to $1,000, although there are some holdings as high as $6,000. The shareholders of the Dovercourt company are few in numbers, the Standard Reliance holding 6,324 shares, while the other holdings were small, being for the most part in the hands of members of the Standard Reliance directorate.

PLANS DISCUSSED TO MOVE THE CROP

Transportation Authorities Prepare to Give Service Without U.S. Assistance

By Resident Representative.

OTTAWA—A meeting of the different big transportation companies was called at Ottawa this week by Hon. A. K. Maclean, acting Minister of Trade and Commerce, to consider ways and means of handling the Canadian grain crop of 1919, so as to get it out as early as possible next fall. This is taking time by the forelock, something the department has not been noted for doing in the past.

Among those present were D. B. Hanna, W. B. Lanigan, Dr. Robertson, Lloyd Harris, R. M. Wolvin, J. E. Dalrymple, W. A. Black, General Labelle, James Stewart, Fred Anderson, Mr. Tilt, John Botterel, H. W. Cowan, and a number of others, representing the railway and steamship companies, the elevators, mills, grain exchange, Wheat Export Company of Winnipeg, and every kindred interest which could help in offering a solution of the problem. In addition to financing and selling problems, the great question of transportation was thoroughly discussed, particularly the ability of the Canadian transportation companies to move the crop, in view of the fact that facilities through the United States, which ordinarily take care of sixty per cent. of our wheat, will be closed to Canada this fall. The United States Food Administration Grain Company has refused us the use of this transportation, as they are using the whole capacity of the United States railways.

The transportation companies of Canada, both rail and water, will unite to give the best possible service. As far as lake transportation is concerned, Canada can more than take care of the grain that can be moved out by the railways from Georgian Bay.

The crucial question is as to how the crop is to be sold and financed. This involves a great deal of consideration of credits with foreign Governments, and (although nothing definite can be done at present a committee was appointed to deal with the matter, and take any possible steps.

CANADIAN CREDIT MEN

Election of Officers at the Annual Meeting

At the annual meeting of the Canadian Credit Men's Association the following officers were elected:

President, A. G. Parker, W. J. Gage & Co., Ltd.; vice-president, Thomas W. Learie, W. R. Johnston & Co., Ltd.; secretary-treasurer and manager, A. S. Crighton; directors, H. E. Dane, Dominion Rubber System (Ontario), Ltd.; George T. Dunn, Canadian Steel & Wire Co., Ltd.; John B. Kirby, Williams, Greene & Rome Co., Ltd.; James A. Lamb, Grant-Holden-Graham, Ltd.; E. A. Lye, W. R. Brock Co., Ltd.; E. S. Little, Robinson, Little & Co., Ltd.; C. Marriott, George Goulding & Sons; D. Marshall, A. T. Reid Co., Ltd.; T. McMillan, Ansley Dineen Hat & Fur Co., Ltd.; C. J. Purkis, Caulfeild, Burns & Gibson, Ltd.; J. B. Ratcliff, John Northway & Sons, Ltd.; C. F. Richardson, H. P. Eckardt & Co.; Mark Rowe, Canada Furniture Mfrs., Ltd.

WESTERN TRADE COMMISSION IS NOW PROPOSED

Mayor Brown of Medicine Hat Outlines Plan at Ottawa

TRADE ROUTES

Idea Would Be to Encourage Western Manufacturing by Opening Up Commerce Via the Pacific

The development of the industrial resources of Western Canada on a scale, which will not only mean an added measure of permanent prosperity to that country, now so largely dependent upon agriculture, but will also stimulate interest in and knowledge of manufacturing, which will help counteract the present tariff cleavage between East and West, is the broad aim of a movement which has been launched at Ottawa by M. A. Brown, Industrial Development Association. Mr. Brown's idea is for the organization of a Canadian Commission to bring about the development of the Pacific trade routes and of markets in Russia and the Orient —development which would be reflected in the volume of Canada's foreign trade, and at the same time give impetus to manufacturing in Western Canada.

Mr. Brown has already made his proposal to the Government and has received much encouragement. His idea would be to have a commission of five members, one to represent the Dominion and one from each of the Western provinces. Already the idea has received favorable consideration to the extent that a committee has been appointed to go into the proposal in detail. The members of this committee are: Geo. Allan, Manitoba; Dr. Cowan, Saskatchewan; W. A. Buchanan, Alberta; and Dr. Tolmie and H. Stevens, British Columbia.

Such a body would devote itself to the development in a practical and scientific way of the industrial resources of the whole Western country. Mr. Brown believes that the potentialities in ores, oil, clay, coal and other raw materials will mean the upbuilding of an important industrial community if properly studied and exploited. He has for a number of years taken an active interest in the matter and the present effort is backed by the conviction that the employment of practical scientific methods can be made to advance development by a decade or so. In this respect he considers that the Ottawa Government has been too conservative, there being many American firms that spend on industrial research many times what is being expended by the Government of Canada for the whole country. He thinks that Canada should vote a million a year at least to industrial research instead of a hundred thousand or so, as at present. Further, he believes that it would be good business to put a small tax upon all raw materials from forest, mine or other source, and to use the funds thus obtained for the development of markets, as well as the investigation of methods of manufacture, etc.

Birth of New Movement

The recent industrial movement in Western Canada has been on a more practical basis than past efforts and was started in Medicine Hat by Mayor Brown, whose efforts should arouse Eastern interest, if for no other reason than that he is described as the only protectionist West of Port Arthur. He does not say that the Eastern manufacturer has not too much protection, but he is strongly against free trade, and argues that the tariff paid by the Western farmers would be a small factor in relation to the prosperity of the country as compared with the development of Western industries, which would create a home market for agricultural products and supply fertilizers and other needed supplies.

It was an address along these lines to the Union of Municipalities of Alberta which aroused interest in the matter in that province to the extent that a conference was called in Edmonton, out of which came a Provincial Department of Industrial Research and the Industrial Development Association of Alberta. The Provincial Department has for its object the investigation of the various natural resources of the province from the industrial standpoint, while the association will conduct an educational campaign based upon the results of Government investigations with the object of interesting manufacturers.

The interest in industrial development has spread rapidly to the other provinces. Manitoba has organized a department similar to that formed in Alberta and British Columbia has gone a step further and appointed a minister of industry. In connection with the Alberta department, a number of experts have already arranged to make reports on the industrial possibilities of ore, coal, oil, clay, etc., and this information, it is expected, will form a practical basis upon which manufacturing projects can be considered.

Industrial Congress

While in Eastern Canada Mr. Brown has been doing some effective work for the big Western industrial congress to be held in August. Invitations are being extended to prominent manufacturers throughout Canada and the United States, and a number of important captains of industry and business will be on hand to deliver addresses. It is hoped to organize a special train for the accommodation of Canadian manufacturers if a sufficient number display a desire to take in the convention and at the same time look over the Western territory.

Following are names of some of the prominent industrial figures expected to be present:

Capt. Robert Dollar, president Dollar Steamship Company and vice-chairman National Trade Council, U. S. A.

Louis Hill or Vice-President Budd of the Great Northern Railway, St. Paul.

Harold McCormick, president International Harvester Company, Chicago.

Joseph Oliver, president Oliver Plough Company, South Bend, Ind.

Finlay P. Mount, president Advance Rumely Thresher Company, Laporte, Ind.

E. R. Erskine, president Studebaker Company, South Bend, Ind.

Henry Ford, Detroit.

E. W. Beattie, president C.P.R.

D. B. Hanna, president C.N.R., Toronto.

Thomas Finlay, president Massey Harris Company, Toronto.

Sir John Willison, president Reconstruction Association, Toronto.

Sir Edmund Walker, president Canadian Bank of Commerce.

Sir Douglas Cameron, president Maple Leaf Milling Company, Winnipeg.

Sir Clifford Sifton, Ottawa.

MOVE FOR RURAL CREDIT IN ALBERTA

Manitoba Officials Are Assisting in Spreading Idea—Bank Co-operates

By Special Representative

WINNIPEG—The movement for rural credits in Alberta on a plan very similar to that which obtains in this Province has at length taken firm root, says the "Manitoba Free Press." Alberta passed a law quite similar to that of Manitoba more than a year ago, but it did not become operative. C. F. Gifford, the general secretary of the Manitoba societies, went to Alsask some time ago to meet a group of farmers west of that place, who were interested in the proposal. The council of the municipality of Bertawan had refused to enter on the project, but after most full and complete explanation of the law by Mr. Gifford, and a discussion of the subject, an adverse vote of five to one against the proposal was converted to a vote of five to one in favor of it.

The matter of granting a line of credit to the Bertawan society, the first to be formed in Alberta, was taken up here by the Union Bank and the sum of $35,000 was allowed. The granting of the credit will permit actual loaning to be begun. This first society of Alberta is now up to strength, more than 50 members having been rolled.

Following the formation of the Bertawan society three others are in course of formation, two of them in the same municipality. The Benton Valley Co-operative Society has been chartered, and will soon be doing business. There is also a group if 34 well-to-do farmers of the district who wish to be formed into an organization in order that they may try out the experiment under the most favorable conditions. The number of members will be increased as soon as they have seen how the matter works out.

A request also came in from farmers west of Youngstown, Alberta, for the formation of a society in that district, and this will no doubt be the fourth organization of the province.

HAMILTON RADIAL STRIKE

Men Accept Report of the Conciliation Board

HAMILTON — The Conciliation Board that dealt with the demands of the radial employees has made an award, granting recognition of the men's union and an increase of pay. The award has been accepted by the men. The train despatchers for an eight-hour workday receives $195 per month, and will be allowed two weeks' holidays yearly with pay. The conductors' and motormen's wages are: First six months, 30 cents per hour; second six months, 35 cents per hour; after first year, 40 cents per hour; after second year, 45 cents per hour. The old rates were 20 cents, 25 cents, 30 cents, 32 cents, 34 cents, 36 cents and 37 cents. The trainmen have been given one day off in every two weeks, as asked for.

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Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

Questions such as the above are intelligently discussed and definitely answered in every issue of *The Investment Weekly*. Can you afford to be without it?

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DIVIDEND NOTICES

THE CANADIAN CROCKER-WHEELER CO., LIMITED

DIVIDEND NO. 66.

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three Quarters per cent., (1¾%) dividend on the Preferred Stock of the Company for the three months ending June 30th, 1919, to Shareholders of record, June 20th, 1919. Also a dividend of One and Three Quarters per cent.,(1¾%) on the Common Stock of the Company for three months ending June 30th, 1919, to Shareholders of record June 20th, 1919.

The stock books will be closed from the 20th to the 30th of June, both days inclusive.
Cheques will be mailed to Shareholders on June 30th, 1919.

By order of the Board.

L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, June 2nd, 1919.

Ottawa Light, Heat & Power Co., Limited

DIVIDEND No. 52

NOTICE is hereby given that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum, on the Capital Stock of this Company, has been declared for the period ending June 30th, 1919, payable on July 1st, 1919, to Shareholders of record at the close of business on the 20th day of June 1919.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET,
Secy.-Treas.

Ottawa, June 13th, 1919.

Provincial Paper Mills Co., Limited

NOTICE IS HEREBY GIVEN that dividends of one and three-quarters (1¾%) per cent. on the Preferred Stock and one (1%) on the Common Stock of this Company, have been declared for the current quarter, both payable July 2nd, 1919, to shareholders of record at the close of business, June 14th, 1919.

S. F. DUNCAN,
Secretary-Treasurer.

Dated at Toronto, June 13th, 1919.

CENTRAL CANADA LOAN & SAVINGS COMPANY

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of TWO AND ONE-HALF PER CENT. (2½%) for three months ending June 30th, 1919, at the rate of TEN PER CENT. (10%) per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Wednesday, the 2nd day of July, 1919.

The transfer books will be closed from the 16th to the 30th of June, both days inclusive.

By Order of the Board.

E. R. WOOD,
President.

The Ogilvie Flour Mills Co., Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a quarterly dividend of three per cent. has been declared on the Common Stock of The Ogilvie Flour Mills Company, Limited, payable Wednesday the second day of July, 1919, to Shareholders of record at the close of business Monday the twenty-third day of June 1919.

By Order of the Board.

G. A. MORRIS,
Secretary.

Montreal, June 13th 1919.

The Shawinigan Water & Power Company

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending June 30th, 1919, payable July 10th, 1919, to shareholders of record June 27th, 1919.

By Order of the Board.

JAMES WILSON,
Secretary.

Montreal, June 5, 1919.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th JUNE, 1919, payable July 15th to shareholders of record JUNE 30th, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 4th June, 1919.

The Bank of Nova Scotia

DIVIDEND NO. 198

NOTICE is hereby given that a Dividend of 4% for the quarter ending June 30th has been declared on $6,500,000 of the Capital Stock of the Bank, and a Dividend of 2 2-3% for the two months ending June 30th has been declared on $3,200,000 of the Capital Stock of the Bank issued May 1st, and that the same will be payable on and after Wednesday, the 2nd day of July next at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By Order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., May 20th, 1919.

The Steel Company of Canada, Limited

ORDINARY DIVIDEND NO. 10

NOTICE is hereby given that a dividend of one and one half per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending June 30th, 1919.

PREFERENCE DIVIDEND NO. 32

Notice is also given that a dividend of one and three quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending June 30th, 1919.

The above dividends are payable August 1st 1919, to Shareholders of record at close of business July 10th, 1919.

By Order of the Board.

H. H. CHAMP,
Treasurer.

Hamilton, Ontario, June 11th, 1919.

LA BANQUE NATIONALE

ON and after Friday, the 1st day of August next, this Bank will pay to its shareholders a dividend of two and a half per cent. (being at the rate of ten per cent. per annum) upon its paid-up capital, for the quarter ending on the 31st July next.

This dividend will be paid according to the list of shareholders of record on the 15th July next.

By Order of the Board of Directors.

N. LAVOIE,
General Manager.

Quebec, June 17th, 1919.

LAURENTIDE COMPANY LIMITED

DIVIDEND NOTICE.

NOTICE is hereby given that a dividend of Three per cent. (3%) for the quarter ending June 30th, 1919, has this day been declared upon the Capital Stock of this Company, payable out of the regular earnings of the Company, together with a bonus of Three per cent. (3%) payable out of income from investments, making 6% in all, said dividend and bonus being payable on Wednesday the second day of July, 1919, to Shareholders of Record at the close of business June 24th, 1919.

By Order of the Board of Directors.

W. F. ROBINSON,
Secretary.

Montreal, June 16th, 1919.

Abitibi Power & Paper Co. Limited

DIVIDEND NOTICE.

NOTICE is hereby given that a Quarterly Dividend of One and Three-quarters (1¾%) Per Cent. has been declared on the Preferred Stock of the Abitibi Power and Paper Company, Limited, payable on the 2nd day of July, 1919, to Shareholders of record at the close of business the 20th day of June, 1919.

By Order of the Board.

WM. H. SMITH,
Treasurer.

LOCAL MARKETS ARE QUIET BUT PRICES ARE FIRM

Probable That a Period of Summer Inactivity is Here

MINES ARE DULL

In New York the Chief Topic is the Effect of Money Rates on the Speculative Position

Canadian stock markets appear to have entered upon a period of comparative inactivity and some brokers are inclined to the opinion that there will not be much show of life again until the hot weather is over. The holiday season is commencing early this season. Already trains and boats are pretty well crowded with tourists and the investor, who is on the eve of leaving for his summer home, is not inclined to take on new commitments. Couple with this the effect of the hot weather on the brokerage business in general and it is not hard to understand why conditions should be on the quiet side.

While markets are inactive, prices have been quite firm. Some few stocks have come into prominence and have recorded substantial gains. The fact that the general tone of the Canadian markets has been strong, in spite of the reactionary character of the big New York market, speaks volumes for the stability of conditions here. Speculative buying has all along been limited and prices are very largely based on a steady succession of investment orders.

Mining Market Dull

The mining market has also been quite dull during the week. Buying orders have been conspicuous by their absence. With a strike in progress in the Kirkland Lake camp and trouble threatening in other camps, it is not surprising that investors in mining shares should be adopting a wait-and-see attude. Notwithstanding all this, the market has not experienced any appreciable set-back and prices are holding well. In fact, in the case of the Kirkland Lake issues, their strength is a matter of comment.

Buying of Victory bonds continues, though not in quite the same volume as a week ago. Prices have been a little easier. Already, it is stated, preparations are under way for the next Dominion Loan, which will probably be brought on about the time the harvest is in. As it is practically assured that it will be a taxable issue, there is little reason for apprehending any appreciable break in the prices of the tax free bonds already on the market.

New York is Soft

The New York market was again on the soft side early in the week, but has become more buoyant towards the close. There seems no doubt that the Government, through the Federal Reserve Board, has been putting the screws on speculation by means of raising money rates, and it may be expected that the brake will be applied every time the market shows signs of getting out of hand. Bankers are rather critical of this policy, and one of them, as reported by the "Wall Street Journal," gives it as his opinion that the Federal Reserve Board should leave its hands off the situation.

> It is high time the Government got out of the banking business as well as out of shipping, railroad and other industries that it now dominates. The speculative situation in the country has not reached a point where Governmental interference is justified. We merely have a situation now that was pent up during the war—one that is reflecting the wonderful position of our country.

Market Should Rest

In their latest market letter, Hayden, Stone & Co. deal with this aspect of the situation as follows:

> The principal force behind this market has been expansion and inflation. This applies as much to market credit as to business and commercial credit. Put any obtacle in the way of obtaining this credit and immediately the market is deprived of much of its ammunition. This is what has been taking place the last few days. It means, in our opinion, the end of the spectacular, perpendicular advance. This is not saying that the advance to date may not be justified, but compare prices with those of 6 months ago and it will be seen that the market has discounted a good deal in the way of business improvement. This improvement, of course, has already been large in some lines, but not in all. The statement of the Steel Corporation's unfilled orders is evidence that business has yet some way to go before fully justifying the market's advance. It will not do a bit of harm for the market to rest on its oars for a few weeks, and even months, and give business a chance to catch up.
>
> Two things occur to us as especially inducing caution; the profits that the stock market has been anticipating are largely based on the expectation of foreign demand, yet students of conditions abroad pretty generally agree that Europe as yet is in no shape to take a very large amount of our goods. Certainly, we must prepare ourselves to loan her the wherewithal before we can expect her to do so. Secondly, labor is becoming so unreasonable in many of its demands that it is likely to eat up much of the profit and thus reduce the incentive to new enterprise."

The Real Estate Loan Company of Canada, Limited

DIVIDEND NO. 65

NOTICE is hereby given that a Dividend at the rate of three and one-half per cent. for the half-year ending 30th June has been declared upon the Capital Stock of the Company and that the same will be payable at the Office of the Company in Toronto on and after 2nd July, 1919, to Shareholders of Record of 16th June.

By Order of the Board.

E. L. MORTON,
Manager.

Toronto, 5th June, 1919.

SPANISH RIVER TO ISSUE VOUCHERS

These Will Cover Dividends on the Preferred Stock in Arrears for 1913-1914

By Resident Representative.

MONTREAL—The first step in connection with a series that are expected to be taken in the course of the next few months by the Spanish River Pulp and Paper Mills was taken this week, when the shareholders were notified by the president, George H. Mead, that vouchers would be posted on July 15 to registered holders of preferred stock of record June 30, authorizing them to receive warrants on their holdings representing the dividend for the year ending June 30, 1914, "as and when such dividend or part thereof is declared payable by the board."

This simply means that the two classes of preferred stock, one dated July 1, 1913, and the other a year later, will be placed in the same position so far as arrears of dividends are concerned. That is, by a payment of preferred stock representing 7 per cent. of their holdings, the $3,000,000 of 1913 stock will be brought up to June 30, 1914, with the balance issued under that date, viz., $2,700,000, so that hereafter both will rank as entitled to 35 per cent. arrears in dividends up to that period. At present the 1913 issue calls for 42 per cent. of arrears.

The prevalent opinion here is that this is but a preliminary to further action along the line of meeting the balance of arrears. It is said a note issue, estimated as high as $5,000,000, will be issued to take care of arrears in interest on bonds and notes, amounting to nearly $1,500,000 by the end of the last fiscal year of the company, June 30, 1918, which would pave the way for some action on arrears of dividends. The form this would take, it is thought probable, is a continuation of the funding process, which would increase the preferred stock issued, but not call far any cash outlay at the time. It is known that the earnings of the company for the year now nearing a close will be much higher than last year, and it is felt that regular current dividends will soon follow the wiping out of the deferred arrears.

In the face of the slump in the Canadian market this week both the preferred and common issues of Spanish River displayed unusual strength. On Wednesday the preferred rose to a new high at 107, and the common presented a new one also in 32. For weeks past, whatever the condition of the market generally, this stock has stood up well.

At a meeting of the board of directors held here this week, George R. Gray, manager of woods operations, was appointed a member of the board as the nominee of the Ontario Pulp and Paper Company, bondholders, in succession to the late Benjamin Tooke. Mr. Gray has been associated with the company for very many years.

GOODWINS

Goodwins preferred appeared in the trading this week at 60 compared with last sales a month ago at 65. The range for the year has been 45 to 65.

LYALL CONSTRUCTION

Lyall Construction continued to show strength this week, advancing to 68, or a gain of two points during the past fortnight.

SAWYER-MASSEY

Sawyer-Massey common has sold up from 12 to 20 in the past couple of weeks and late sales at 19 were reported. It is evident that the house-cleaning policy which the company adopted last year has increased its favor with the investing public. The preferred has also improved materially to 55.

TUCKETT TOBACCO

With the appearance of the annual report of the Tuckett Tobacco Company the common stock sold up to a high mark of 40, while the preferred was steady at 88.

BRAZILIAN TRACTION

Brazilian Traction has been active again this week with a strong tone and prices improving up to 60, which equals the best of the year.

'LANTIC SUGAR REACHED SALES OF $11,000,000

Big Increase in Domestic, Overcoming Decline in Export

15 P.C. ON PREFERRED

Compared With 8.2 Last Year With Generous Allowances—Manufacturing Profits $986,343, Against $462,676

MONTREAL.—The annual statement of Atlantic Sugar Refineries as presented at the meeting of shareholders on Friday of this week contained a statement that should be regarded with the greatest satisfaction by the shareholders: that in spite of the fact that the exports of sugar during the year showed a decrease, as compared with the previous year, "domestic sales showed a substantial increase." The net result was that the total business of the company for the year registered a new high record of $11,000,000, as compared with a little over $10,000,000 for the previous year, which in turn was $2,000,000 ahead of the year before. As it is domestic business that must always be the stronghold of this company, the showing is particularly pleasing for those who hold stock, as it indicates that this company, which only started operations in 1915, has shown remarkable development in the growth of its business in a brief period.

To Capacity This Year

The other outstanding feature of the statement, apart, of course, from that of profits, was an indication of much greater business in the new year: "The demand for refined sugar for export is very heavy. The company is doing its share of this business, and, it is expected, will further participate in it to the extent of keeping the refinery operating to full capacity." The report adds that it is expected that the control of the Food Board is likely to be maintained throughout the present calendar year.

Profits More Than Double

Coming to the question of profits the company made a very satisfactory record in this respect as well, as was indicated recently by the decision to start payments on the preferred dividends. The net manufacturing profits for the year were $986,343, as compared with $462,676 for the year before, or over double; and $304,423, or over three times those of two years ago. Deductions this year amounted to $611,011, including the sum of $164,397 for depreciation; $104,166 for betterments; and $186,855 for bank interest and exchange. The last item, which is over double the amount of last year, $90,882, is declared to be "abnormally large." Of this, approximately $115,000 represents exchange paid on remittances to New York to provide for raw sugar purchases.

15 Per Cent. on Preferred

The balance available for dividends on the preferred stock of $2,500,000 was $375,332, as compared with $206,782 in 1918, and $111,398 in 1917, which works out a percentage of 15 on the preferred compared with 8.27 one year ago, and a little less than 4½ two years ago. The arrears outstanding on the preferred date back to the organization of the company on July 1, 1914, and thus amount to practically 35 per cent. The first declaration of current dividends on the preferred was made a couple of weeks ago, but no decision has been reached in reference to the method that will be adopted in paying off the arrears. Following is a comparison of the profit and loss figures for the past three years:

Profit and Loss

	1919	1918	1917
Net Mfg. Profit..	$986,343	$462,676	$304,423
Less—			
Bond int.	85,700	88,700	78,900
Bank int. & ex..	186,855	90,882	80,547
Deprec.	164,397	40,000	20,000
Res. Bd. debts. and war tax	69,892	.....	.....
Betterments ...	104,166	.....	.....
Def. oper. ch....	.....	33,991	11,257
Prop. of bds. disc.	.....	2,321	2,321
Bal. av. for div...	$375,332	$206,782	$111,398
Add surplus	323,439	116,657	5,259
Carried forward ..	$698,771	$323,439	$116,657

From "Raw" Famine to Plenty

The liquid position of the company is in excellent shape. Last year it was remarked that the company had no banking indebtedness under normal conditions, although, of course, when shipments of one or two million dollars' worth of raws arrive a temporary loan is made with the bank. This position continues this year in spite of the heavy increase in stocks of raws and refined that are shown to be on hand, the item of "inventories" increasing during the year from $573,959 to $2,498,098. Indeed all items with the exception of cash are larger in the liquid assets, the total of which is $3,230,177. The current liabilities are larger with bills payable up from $35,070 to $2,003,450, and the total increased from $64,470 to $2,148,417. This is easily explained by the fact that one year ago the company had great difficulty in securing raw sugar, as it was doled out by the International Commission, while this year the quantity available is almost unlimited, it is understood, so far at least as Atlantic is concerned.

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Scotia, Dominion and Steel of Canada All Involved

MARKET INTERESTING

Steel Stocks Continue to Command Considerable Attention—U. S. Low Record of Production in May

By A. R. KENNEDY
Editor, "Canadian Machinery"

The steel group provides the Street with much to talk about during the hot weather. Mergers, small mergers and large ones, are all worked out, even to the smaller and finer details. One takes in Scotia and Dominion. Another widens the scope and gathers up Steel of Canada as well. In fact, the only thing lacking is any degree of certainty to any of them. Some working agreement between the two Eastern companies is likely—at least it seems to be the logical outcome of the somewhat confused situation that has arisen in the East.

Whatever the reason, steel stocks in Canada are attracting considerable attention, even more than they did when they were full to and beyond capacity during the war years.

There are places where the strike of the metal working trades is not making any difference on firms drawing on iron and steel as their raw material, but again there are others where the strike is being felt, and its termination is much to be desired. Many of the smaller shops are closed down, or running at a low rate. Their daily orders to the warehouses have been withdrawn, and the warehouses are feeling the difference. In other places fairly large orders for steel, in tubes and plates, may be cancelled, because it will not be possible now to come anything near to the promised schedule of delivery.

Although the actual amount of material involved is not large, it is worthy also of note that there are firms now sending tool-room work out of this district in order that they may get in shape for going ahead and securing production as soon as possible.

American Situation

According to THE POST'S Pittsburgh correspondent the production of steel ingots in May was at the rate of about 26,450,000 gross tons a year. This represented about 45 per cent. of capacity, against 65 per cent. in April, 77 per cent. in March, 85 per cent in February and 87 per cent. in January. The improvement in the buying of steel began about the second week in May, and this improvement caused somewhat heavier production of steel, even before the end of May. The increase does not show in the monthly statistics because previously production had been declining so sharply. It is probable that at some time in May the rate was down to 50 per cent. of capacity, perhaps in the third week of the month, but with the heavier buying for more than a month past there has been a gradual gain and the rate at present may be estimated as being about 60 per cent. Unless midsummer conditions cause a material slump in production, as the market is almost invariably dull in July and August, the low point in output in May, say, 50 per cent. of capacity for a part of the month, will pass into history as the record low rate after the war. It is almost the universal opinion that there is a period of several years of great activity, say from five to ten years, ahead of the trade, the main difficulty being in getting started.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the first seven days of June amounting to $36,464, as comared with $33,344 for the corresponding period in 1918, an increase of $3,120, or 9.4 per cent., while for the year to date the earnings total $805,838, a gain of $77,519, or 10.6 per cent.

ASBESTOS CORPORATION

The market for Asbestos Corporation common has been weaker recently with sales over a considerable range between 69 and 73 as compared with a high mark of 77 a week or so ago. The preferred has also sold off from 88½ to 85¾.

F. N. BURT

Burt common continued to show strength this week with sales up to 92 as compared with a previous high this year of 90. The preferred was also up half a point at 95½.

CARRIAGE FACTORIES

A small block of Carriage Factories common changed hands this week at 15, showing an improvement of two points over the sale last week at 13.

CITY DAIRY

City Dairy common, which sold last week at 60, improved to 62 this week and was only ½ point below its best for the year. The preferred sold up to 94½ at the week-end.

CANADIAN RUBBER STRIKE

Employees Return Pending Settlement by Conciliation Board

By Resident Representative.

MONTREAL—A settlement was arranged this week between the strikers and the management of the Canadian Consolidated Rubber Company and some 2,200 employees returned to work. All points in the dispute are to be submitted to a board consisting of four representatives of the company and four of the workers. If this board fails to agree on a schedule of wages and working conditions the questions will be submitted to a board of arbitration. In the meantime the company grants recognition to the union, and will inaugurate a "shop steward" system, under which the employees will elect representatives in each department to consider grievances that may arise. The common stock of the company, which is very closely held, reached a high of 200 bid recently.

THE OUTLOOK FOR SCOTIA IRON DEAL

Mark Workman at Ottawa Discusses Prospects for an Amalgamation

By Resident Representative.

OTTAWA.—Mark Workman, president of the Dominion Steel & Coal Company, was in Ottawa on Wednesday, discussing with the Government the question of the contract price for plates for the Government ships, the contract for which it is desired to amend. While he had nothing to say on this subject, he was more willing to talk on the matter of amalgamation between Scotia and his company, and the general position of the company with matter of union, which he did not seem to look on either with particular dislike or enthusiasm.

"We have reduced fixed charges in the past three years by 575,000 dollars, which indicates that the bonded indebtedness has been reduced. About eleven or twelve million dollars, taken from profits during the past three years, have been spent in betterments. Obviously, this practice cannot always be followed. It will be necessary some day to float other securities to develop and enlarge our activities and natural resources. With the recent legislation put on the statute books, disturbing vested interests, there is a danger that we shall be met with insuperable difficulties when we go into the markets of the world for capital—a serious thing not only for Nova Scotia, but for all Canada."

When asked about the possible solution of the long standing difficulties between the two companies by amalgamation, Mr. Workman said in a laughing way:

"According to their statement, made by them, they have no reserves or assets unless they get those areas they are claiming. Under such conditions, it would be very hard for any man to go to the stockholders of any possible purchasing or amalgamating company, and propose any terms that would be acceptable to them; although it is hard to reconcile this statement with a previous one, made when they issued their last debentures, that they had two and a half millions tons of reserves. It seems to me that companies sometimes make wild statements for one purpose, which stop them from making later statements which might be of a more advantageous character."

However, Mr. Workman conveys an impression that there is an open door for Scotia to amalgamate if it desires to do so.—T. M. F.

NEW DIRECTOR OF C.P.R.

Son of Lord Shaughnessy Succeeds Hon. James Dunsmuir on the Board

The Board of Directors of the Canadian Pacific Railway Company this week appointed Captain, the Hon. W. J. Shaughnessy, as a director of the company to fill the vacancy caused by the resignation of Hon. James Dunsmuir, Victoria, B.C., who had asked to be relieved of all business worries. There is still a vacancy on the board through the death of W. D. Matthews, who, by the way, was present at the last annual meeting of the company a few weeks ago. Captain Shaughnessy recently returned from overseas after service of three years. When he left Canada it was as captain and adjutant of the 199th Irish Rangers, and he was in charge of the arrangements for the battalion's tour of Ireland. When the Rangers broke up as a unit, Captain Shaughnessy went to France as aide-de-camp to Brigadier-General Simms, who was Canadian representative at British Headquarters. After meritorious service in this capacity, Captain Shaughnessy was transferred to the headquarters of the Canadian corps, where he acted as aide to Lieutenant-General Sir Arthur Currie.

CANADIAN LOCOMOTIVE

Apparently the Kingston strike has been a sort of a tonic for the common stock of the Canadian Locomotive. It would take a peculiar brand of reasoning to figure out why a stock should increase in value in proportion to the length of the strike. Locomotive has not figured largely in the market for some time, but since the strike sales have been plentiful and the stock in demand at higher values. Last sales of common were at 80, which is the highest since 1913. Preferred is also going very strong and is well above the best showing for some years.

LAURENTIDE SET ON 15 P.C. BASIS

Extra Dividend of 3% Declared—Power Co. May Result in Further 3%

A stimulating effect on a depressed stock market at the beginning of the week was caused by the declaration of the directors of the Laurentide Company of a bonus of 3 per cent. on the regular quarterly payment, by which it was increased from 3 to 6 per cent. This will be payable on July 2 to holders of record June 24. This is taken to represent a yearly dividend of 15 per cent., on the theory that the regular dividend of 3 per cent. will be repeated each quarter. On the other hand, when the initial dividend was declared three months ago on the Laurentide Power Company, it was concluded that from this the Laurentide Company shareholders would be given three per cent. extra dividend a year, as this would be the proceeds coming to them in virtue of their stock holdings in the power company. So far only the second dividend has been declared for Laurentide Power, so that many on the Street argued that the extra 3 per cent. to be paid on this quarter of the Laurentide Company, arose from the Laurentide Company itself and that later on an extra 3 per cent. would be forthcoming on account of the power company, or a total of 18 per cent. for the year. On this point the directors have so far been silent. The meeting of the directors was held at the home of the vice-president, Charles R. Hosmer, who is recovering from a long illness.

This increase in the Laurentide dividend is the second within the year. Last December the old rate of 10 per cent. was raised to 12. The 10 per cent. rate had been paid since March, 1917, and prior to that 8 per cent. for the six previous years. The failure of the paper tribunal on Monday to interfere with the present fixed price of newsprint is thought to have had some effect on this increase. Talk of a division of the stock into three parts still continues, and now the fifteen per cent. dividend is made the basis for the theory that each of the divisions of the present shares will pay five per cent.

The effect on the stock was an overnight jump of 7 points. The previous day the stock in the soft market had sold down to 218, but at the opening jumped to 225 and gradually worked up to 227½. This was the highest point reached up to Thursday, when there was a slight reaction down to 226 bid, with 226½ asked for the stock.

SCOTIA AND EASTERN CAR DIVIDEND PAID

Action Taken by Directors at Annual Meeting This Week

Scotia common has receded decidedly from its streak toward par. The 1st of June saw it at 97, but the break came, not violently, but steadily, and at various times it rested at 96, 92, 90, 85, 82 and the market now is around the 80 figure. The desire of some New York speculators to realize on holdings they had taken on at a higher figure some time ago is given as the cause for the sensational rise. Certainly there has been no attempt at manipulation on the part of the officials. Their time has been almost wholly taken up of late with negotiations in the east, the outcome of the legislation that was passed by the Scotia House. Whatever may have happened to the common the preferred is at present at a high mark for the year. In fact it is about as good as at any time in the last three years. There have been very few sales, which, after all, is the one way to test the real strength of the market. Last transaction was for a small block at 112.

At the annual meeting the board declared a dividend of 2 per cent. on the preferred shares, for the quarter ending June 30, payable July 15.

The board also authorized the directors of the Eastern Car Co., a subsidiary, to pay on July 15 the year's dividend at the rate of 6 per cent. for the year ended Dec. 31, 1918, thus wiping out all arrears of dividend on the car company's preferred stock up to the first of the present year.

ONTARIO STEEL PRODUCTS

The Ontario Steel Products Company, Limited, brings its fiscal year to a close with the end of the present month. While the statement covering this period will not be as good as that for the previous year, it will probably be considered satisfactory by the shareholders under all the adverse circumstances that the company has had to contend with. War restrictions interfered with its supply of raw materials during the first half of the year. Depreciations in inventory and higher labor costs will also reduce profits.

The company has made arrangements to establish a new motor spring works at Oshawa, work upon which has just commenced. Small quarterly payments have been made during the year on account of arrears of preferred dividends, and it is expected that this practice will be continued until the total arrears, now amounting to 3¼ per cent., are entirely wiped out.

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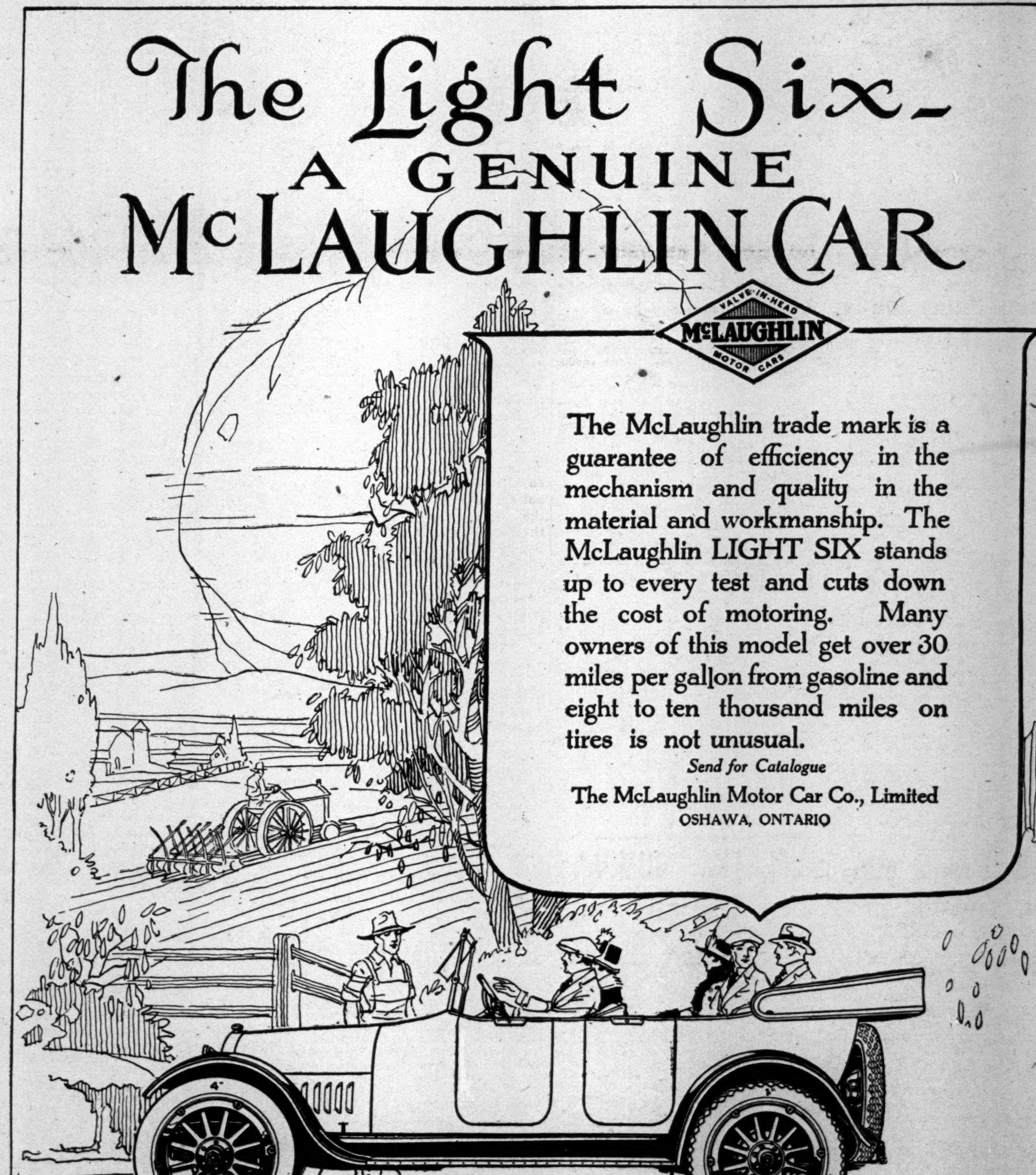

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SCOTIA ACTION IS "CONFISCATION," SAYS IRON HEAD

Mark Workman Speaks Frankly of Legislative Action

ORE FOR SALE

New Development in Dominion Steel Corporation — Lower Margin of Profit, Says President at Meeting

By Resident Representative.

MONTREAL—References to the pending negotiations with the Nova Scotia Steel and Coal Company, and the future prospects of the company, were among the most interesting features of the annual meeting of the Dominion Steel Corporation this week. In regard to the future the President, Mark Workman, stated that it was evident that at the present time the attitude of purchasers of steel products was one of conservatism, but he had every hope that the near future would see a revival in the industry. "Undoubtedly," he went on, "a tremendous purchasing power exists in the absolute depletion of stocks throughout the world. It is not to be expected, however, that the margin of profit will be as great as in the past year, as competition is becoming keener, and production costs remain abnormally high."

Recent events in Nova Scotia were condemned as "confiscation," although confidence was expressed as to the future settlement.

The movement was initiated in the first instance by the Nova Scotia Steel & Coal Company, the management of which aimed to obtain certain holdings of your company. The matter was carefully considered by your directors and the conclusion reached was that they could not agree to a request of this nature in justice to the bondholders and shareholders of the company.

"Since that time pressure has been exerted upon us by the Nova Scotia company in an effort to induce us to agree to a wholesale exchange of areas. In the meantime in order to meet an alleged emergency, the Nova Scotia Legislature passed an order-in-Council empowering the Scotia company to mine coal from a small part of our areas.

"Following this confiscation of our property, in total defiance of our vested rights, a Bill was enacted——"

In the meantime a Committee of Dominion Steel was awaiting technical advice.

"It will be appreciated that as a business enterprise we are at all times open to discuss matters affecting our operations, such incidents being a matter of ordinary business routine. No action will be taken by our directors inconsistent with the rights of the investors interested in our enterprise, and I cannot believe that it is the intention of the Legislature of Nova Scotia to imperil the future of investment in that province by invoking the powers created by the Act in question—in the event of the suggestions of the Scotia Company being found impracticable."

Shareholders' Interests

In answer to a question by L. G. Beaubien, representing a large number of shareholders, Mr. Workman stated that the tonnage involved in the negotiations for the return of shipping that had been taken back by the owners during the war, and which was under contract to the Steel Corporation, would be some 48,000. The Shipping Controller had not yet returned this shipping, but representations were being made both directly and indirectly urging the immediate return of the vessels, and the president stated he was distinctly hopeful of results, in any case, that a portion of the tonnage soon would be back in the company's possession.

An important announcement was made as to the Wabana ore. Extensive improvements had been made, including the installation of a new electric power station, etc. Changes in mining methods also had been brought about, with the result that operations had shown a distinct improvement since the first of January. The president added:

"On January 1 of this year the slope driven by the Nova Scotia Steel & Coal Company through the Wabana holding in order to reach their property further seaward, was transferred to the corporation in accordance with terms of the agreement." This addition is being prepared for operation, and will materially add to our facilities. As a result of these various changes at Wabana, they are not only able to take care of their own requirements, but are now in a position to offer ore for sale."

The increase in the property account and the lessened surplus were explained as due to heavy expenditures during the year, including the new coke ovens, part of the Wabana expenditures, the new power station, the work on the new plate mill. The valuation of properties in the balance sheet had increased from $82,915,514 to $91,007,601. The appreciation in property values were due also to the purchase of approximately nine square miles of coal areas on the south side of Sydney Harbor, continuous to present workings, and a block of fourteen square miles held under option for some years, on the north side of the habor.

"These newly acquired holdings contain coal of excellent quality, and materially add to our reserves.

"During the past fiscal year the major portion of our steel output was marketed in the form of rails for the requirements of the Dominion Government. Our financial results are correspondingly less favorable than would have been the case had conditions permitted us to engage in ordinary commercial steel lines. As regards the coal mines, the production figures are unfortunately less favorable than those of the preceding year. The primary reason for this condition is the lack of transportation facilities to which I have previously referred."

Difference in Capital

As to the decrease in working capital for the year Mr. Workman explained that the difference was more than made up by the amounts expended on capital account. At the meeting 262,766 shares were represented. Directors of the Steel Corporation were re-elected, with Mark Workman as president. At the meeting of Dominion Coal Company immediately following, George Caverhill, who is a member of the board of the Steel Corporation, was chosen a director of the Coal Company, succeeding the late W. D. Matthews. No appointment was made in connection with the vacancy on the Steel Corporation.

TUCKETT TOBACCO 5% ON COMMON

A Good Year Reported and Satisfactory Outlook as to the Future

Apart from the rumors of an amalgamation with American interests, the annual report of the Tuckett Tobacco Company, Limited, presents features which in themselves may be considered as largely explaining the recent strength in the market for the company's securities, particularly the common stock. For the year ending March 31st the net profits were $264,113, as compared with $201,481 for the previous year and $186,498 for the period ending in 1917. After the payment of preferred dividends there was a surplus of $124,113, which represented nearly 5 per cent. on the $2,500,000 of common stock outstanding. Following are comparative figures:

Current Assets

	1918-19	1917-18
Inventories	$2,081,203	$1,735,112
Bills receivable	499,528	432,320
Investments	122,655	56,958
Cash	95,367	59,802
	$2,798,753	$2,284,192
Current Liabilities		
Bills payable	$ 702,866	$ 435,517
Bank loan	75,000	....
	$ 777,866	$ 435,517

Regarding the future, the president, Harry B. Whitton, says that the outlook is favorable. There is a satisfactory demand for the company's products, which should continue.

The balance sheet indicates an increase in inventories, and in accounts receivable which is reflected in larger accounts payable and a bank loan. Current assets and liabilities are summarized as follows:

Profit and Loss

	1918-19	1917-18	1916-17
Net profits	$264,113	$201,481	$186,498
Bal. forward	337,933	276,452	229,952
	$602,046	$477,933	$416,550
Pfd. div	140,000	140,000	140,000
Balance	$462,046	$337,933	$276,452

"Real estate plant and good-will" shows some slight reduction at $2,995,758, and there is a reserve provided of $19,600 for insurance.

N. S. TRAMS ISSUE

Proceeds of Note Issue to be Used to Improve Service

By Special Representative

HALIFAX.—In connection with the proposed issue of $2,000,000 three-year, 7 per cent. notes of the Nova Scotia Tramways and Power Company—following the taking over of the management by Stone and Webster, of Boston—a circular to shareholders states that owing to present financial conditions it would be impossible to sell the first mortgage 5 per cent. bonds of the company except at a price too low to obtain the necessary approval of the Nova Scotia Public Utilities commission. From the point of view of the company, long-time financing on such a basis at this time obviously would be unwise. To furnish the necessary funds for the essential capital requirements of the company, the Board of Directors have approved the issue of the short-time notes above mentioned.

A substantial part of the proceeds of the notes will be expended for additional cars and other equipment and for laying track, improvements which are greatly needed and for which there is active demand from the patrons of the company and the public authorities.

The U. S. Interstate Commerce Committee report on the bill terminating Government control of wire systems recmends legislation giving Commerce Commission authority over rates of companies engaged in interstate business.

MARCONI CO. OF CANADA GETS WORKING CAPITAL

Arrangement with British Company Gives It $425,000 Cash

EFFECT ON VALUES

Stock Under Old Arrangement Selling at $3.00-$3.25 a Share—Commercial Business Double

Further particulars are available this week of the reorganization of the Marconi Wireless Telegraph Company of Canada, under which the par value of the existing one million shares of the company was cut down from $5 to $2.50, and a new issue arranged of 400,000 shares, with 100,000 left in the treasury. Thus the capital stock of the company has been decreased from $5,000,000 to $3,500,000. The negotiations were carried on with the parent company, the Marconi Wireless of England, which had claims for over $500,000 against the Canadian company. This company agreed to accept common stock of the Canadian concern in lieu of these claims and in addition to subscribe for further stock at $2.50 a share to the amount of $425,000. This furnishes it with working capital in cash. The situation as it now stands is as follows:

Original capital	$5,000,000
This reduced to	2,500,000
New capital	1,250,000
Of which issued	1,000,000

One of this, the English company's claim is settled and the Canadian company secures $425,000 in cash for working capital.

A portion of the claims against the Canadian company was for the Newcastle station, which it now controls. The FINANCIAL POST is informed that the commercial business of the company is showing a steady gain since its facilities were released by the Admiralty sufficiently to engage in commercial lines. This business has reached a point double what it was before the war, although during the war it was "shot to pieces." The sending of wireless messages has improved in efficiency, and one of the persuasive arguments of the company is that the charges are less than by cable.

In addition to this source of revenue the company some time ago started a plant for the manufacture of wireless apparatus, which had before, for the most part, to be secured outside of Canada. This is proving a profitable investment, and will show in the report for the year 1918, which will shortly be issued. Then the company has schools for the training of operators in Newfoundland, Montreal and Toronto.

Under the presidency of J. N. Greenshields, K.C., the company is taking a vigorous hold on the opportunities presented. Before the cutting down in the par value of the stock the shares were selling around $3 to $3.25. It is not expected the recent action will make much if any difference, as the financial position of the company is improved considerably by the cash receipts from the sale of a portion of the stock. It has been felt for a long time that a capitalization of $5,000,000 was too high. A large portion of the cash received in the early years went on experiments that in the end many cases had to be "junked." That was the natural misfortune of a new industry of this character.

STEEL OF CANADA

Steel of Canada common is giving a rather outstanding demonstration of consistency for the month of June. First high was 70 and the last high was just about the same mark. In fact, there have been only fractional departures from that figure. Preferred also stays within easy distance of the three figure class, the month's business so far being close to 98. Stories in the street have it that the company's purchase of coal lands has turned out to be a good investment; in fact, better than was at first anticipater. One of the open hearths that was down for a few weeks for repairs has again been placed in commission and operations are again under way in this furnace. Business is not yet near the capacity of the plant, but Steel of Canada is in especially sound condition now, the result of the well-defined policy during the war years of putting the company on a basis that will permit it to take advantage of any opportunities that may arise for expansion.

DOMINION STEEL

A review of the year's work at the Steel Corporation is given elsewhere in this issue. It will be noticed that the president, in his statement, assured the stockholders that, no matter what came of the agreement for the rail mill, there would be no loss to the company. It is only fair to suppose that the company would be compensated, and President Workman has been in Ottawa within the last few days in connection with this business. Officials make guarded statements regarding the chances for an amalgamation of the eastern companies, but the impression gains ground that Dominion have given the proposition a pretty fair "think," and announcement of developments along this line would not come in the nature of a surprise. Iron sells almost at the same figure, even to a fraction, at which it started the month.

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WEDNESDAY, THE SECOND DAY OF JULY

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By Order of the Board.

GEO. H. SMITH,
Assistant General Manager
Toronto, May 28th, 1919.

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MUST BE WILLING TO TAKE A RISK IN BUYING STOCK

Mining is a Speculative Enterprise and Must be so Regarded

NOT A GAMBLE

Risks Taken in Legitimate Mining Are Under Some Measure of Control and Scientific Knowledge

By T. A. RICKARD.
From an address before the Mining Convention at Vancouver.

Money can be employed profitably in three ways: Investment, speculation, gambling. An investment looks to income; the use of the word assumes the comparative safety and stability of the principal. A speculation looks to an increase of the principal; the use of this word suggests the minor importance of interest, income, or return on capital; it assumes not the stability, but the comparatively rapid appreciation of the principal. A gamble involves a risk so large as to require the aid of luck; it ignores interest or income; it anticipates the alternative of a big winning or a total loss.

Obviously the definition is subjective: it is based upon the expectation of the individual making the purchase. To one man the use of money for a certain purpose is an investment; to another man the same use appears to be a speculation. Similarly, one man's speculation is another man's gamble. Six years ago Mr. Lloyd George and Lord Reading, then Sir Rufus Isaacs, were persuaded by Mr. Godfrey Isaacs, brother of the present British Ambassador and Lord Chief Justice, to buy a block of American Marconi shares as an "investment," that is, as a steady dividend-payer. Three days after Mr. Lloyd George had bought his shares they rose so rapidly that he sold them on the urgent advice of his broker, to whom he was disinclined to listen, because his intention was to hold the stock "as an investment." He was then Chancellor of the Exchequer, therefore, he was hauled over the coals for "speculating"; he was charged with a levity of conduct unbecoming the chief of the British Treasury. He replied by saying that when he bought the shares it was his intention to hold them indefinitely, and that the sudden and surprising rise justified him in selling. In short, his "investment" had proved a "speculation." The distinction is in the mind of the purchaser.

Difference in Ideas

Similarly, a Boston school teacher may buy the shares of the Great Wildcat Extended as an "investment," whereas a Wall Street broker recognizes that it is highly "speculative," and a Nevadan mining engineer knows that it is a rank "gamble." These terms are relative, they connote a crescendo of risk; even an investment has an element of risk; a speculation has more; a gamble, most. Sometimes a stock is bought on the expectation of a rise; it remains steady for years, it proves to be what is called a "forced" investment. The idea of expectation is implicit; the human factor is never absent; we are dealing not with lexicons, but with human affairs.

The other significant word is "mines." A mine is an excavation in the earth's surface from which mineral is extracted. It is not a company nor the shares of a company owning that excavation. A flippant definition says that a mine is a hole in the ground with a liar sitting on top. A promoter is said to be a man who sells something he has not got to somebody who does not want it, or, if you prefer, a promoter tries to sell nothing for something to a man who expects something for nothing. However, these perversions of honest business do not concern us just now; my subject is the reasonable speculation that is based upon the legitimate exploitation of mines. Permit me to remind you that the word "mine" was used in the language of warfare before it entered that of peaceful industry. It comes to us through the Latin Mina, signifying an excavation to be used for killing the enemy. The original sense of the word survives in "minatory," meaning threatening. During the war we have heard more of mines in the North Sea than of mines in Mexico, for example, and you will allow that those who sailed the seven seas had to deal much with speculation concerning mines, and the floating of mines on water, reminding us of minatory performances on the stock exchange during times of peace. Now, however, we hope soon to forget the derivation of the word and to interpret it, not in terms of maleficent activity, but of beneficent industry.

Not a Gamble

At this stage of my argument I beg of you not to be annoyed at my apparently over-cautious attitude; you will find that my conclusions will not deprecate the industry in which you and I alike are so deeply interested. I shall hammer my point home by one further suggestion. You would not be willing to lock up your mining stock in a safe for five or ten years, as you might do with first-class bonds; you know that in the course of five years the fluctuations in market value are likely to be so wide as to compel you in your judgment either to cut a loss or take advantage of a market profit. On the other hand, a mine is not a "gamble," because the risk it involves is not unreasonable; it is diminished by knowledge and experience, it is lessened by the skill you can apply both to the finding and to the treatment of the ore. A miner always needs some luck, of course, but his luck is a friendly sprite, not the grinning devil that sits by the roulette wheel. Every business involves one or more indeterminate factors and, therefore, contains an element of risk. Without risk there is no gain; but a large gain usually involves a large risk. There are people in mining, of course, that take big odds, that like a reckless bet, they are real gamblers, even if they are unaware of it! but the risks taken in legitimate mining are under some measure of control, they are met by scientific knowledge and by trained intelligence. A blend of pluck and judgment is required. You will recall a line in Kipling's poem, "The Merry Gloster": "And I took the chances they wouldn't and now they're calling it luck." That is why I insist that mining, properly conducted, is not a gamble. On the other hand, no man of experience in these matters would expect to escape all the risk. The idea of eliminating risk from mining is both contrary to the spirit of the business and false to the history of it. To understand mining—to appreciate the principles guiding legitimate and succesful speculation in mines—which is my subject—you must revert to the old Cornish word for shareholders; they were called "adventurers," that is, men willing to make a venture.

ANGLO-FRENCH EXPLORATION

Company Retains and Extends Its Interests in Canada

At the twenty-ninth ordinary general meeting of the Anglo-French Exploration Company, Limited, held at Salisbury House, London-wall, E.C., the chairman, F. A. Robinson, presented a detailed account of the year's operations of the company. Dealing with finances, he pointed out that cash assets amounted to £220,000. Holdings in companies operating in South Africa amounted to £508,020, approximately the same as before, while holdings in companies operating in other parts of world were up from £71,000 to £89,877. Dividends received totalled £66,366, a fall-off of £11,000. Opportunities for satisfactory share dealing were few. Net profit for the year was £32,545, as compared with £57,969 for the previous year. A dividend of 7½ per cent. was paid.

After referring to the company's interests in South Africa, Mr. Robinson said: "Our Canadian interests are well looked after by Mr. J. B. Tyrrell, who ably represents us in that country, where we still retain an interest in the Hollinger mine, and we have acquired interests in the Kirkland Lake district which we hope will turn out satisfactorily."

CONSOLIDATED SMELTERS

Ore receipts at Trail smelter for the first week of June amounted to 3,661 tons, of which 2,364 tons were contributed by the Sullivan. For the corresponding week of 1918 receipts totaled 4,341 tons. For the company's year to date aggregate receipts have been: 1919, 222,921 tons; 1918, 235,610 tons.

PORCUPINE IMPERIAL

Contracts have been signed by Harry L. Taylor, president of the Porcupine Imperial, for several hundred feet of drifting and cross-cutting at the Imperial. It is understood that this work is to commence without any delays. On this property a good body of commercial ore was encountered at the 100-foot level, which has been partially developed, values running as high as $25 a ton.

PETERSON LAKE

The Supreme Court at Ottawa has dismissed the appeal of the Dominion Reduction Company against the decision in its action against the Peterson Lake Cobalt Mining Company over the ownership of extensive deposits of slimes from the Dominion Reduction mill on Peterson Lake property. Originally Mr. Justice Middleton awarded the ownership of the slimes, estimated at about 220,000 tons, to the Peterson Lake Company, and from this decision and a subsequent decision by the Supreme Court of Ontario in favor of the mining company the Reduction Company had unsuccessfully appealed. The litigation has been proceeding for upwards of two years. Estimates of the silver contents of the deposits in dispute vary all the way from 500,000 to 2,000,000 ounces, but at the present high price of silver it is quite clear that the values in dispute are important. The case for the Peterson Lake Company has been handled throughout by Lamport, Ferguson & McCallum, Mr. Lamport being president of the Peterson Lake Company.

DETROIT UNITED AND STRIKE SITUATION

How Company Convinced City That Five-Cent Fare Was Not Sufficient

Although the Detroit United Railway gave its assurance that a straight five-cent fare on all lines with free transfers would not produce sufficient funds to meet the added burdens, the council fixed such a fare for a three months' trial.

The company could not accept such proposition, knowing full well that it would not produce sufficient revenues; that there were bound to be deficits—with no funds to meet them when good American dollars were needed. In rejecting the city's unsatisfactory offer the company offered a way out in stating:

> "We are perfectly willing, if authorized to collect a five-cent fare and a penny for a transfer, to permit your responsible and qualified representatives to inspect from time to time our records, and if it is shown at any time that the above rates of fare may be decreased, we are perfectly willing that this shall be done. . . .
>
> "If you do your part this will be avoided. If you fail, you must bear the burden of answering for the consequences. We speak plainly, for the situation is critical, even dangerous, and we urge you to take such action as will enable us to continue the operation of our cars. We have asked the very minimum we can accept, and in the expectation that if experience under the new conditions fails to meet requirements, that the subject will have further consideration at your hands."

Came the strike, following the declination of the council to change its course. The company again addressed the council, expressing its willingness to submit the entire fare matter to the newly created Public Utility Commission of Michigan, stating:

> "Being advised by the public press of your inability to determine any satisfactory means of an adjustment of the strike now in effect, permit me to suggest to you that the recent public utility act, consented to by the municipalities, provides a method of determining the rate of fare that should apply upon lines of railway where the franchise has expired, or where the franchise is still in effect."

This communication was "placed on file," as it is politely termed. The company again moved in the endeavor to end the strangulation of Detroit enterprises through the stoppage of car service, for let us make it very clear that despite all that certain newspapers said of the glory of walking several miles to work or paying extravagant "jitney" fares or of how business was "nearly normal," the strong, urgent plea was to the end that service be restored without further delay.

We wrote the civic officials offering that if the council agreed to a five-cent fare with one cent for transfer the company would put all the transfer money in escrow and if a commission on investigation decided such fund was required by the company at the end of the three months' trial period then the company should have it, otherwise the city. Another commission was to pass upon further adjustments.

This plan was later slightly altered by agreement between the parties, the changes being incorporated in a court order. It was ordered that 5 cent fares be established on all lines within the one-fare zone for a period of three months; that a board of arbitration thereafter determine if increased fares are necessary to pay proper expenses, including whatever deficit arises from the free transfer period, the maximum fare for the second period being equivalent to a five-cent fare and a cent for transfer.

DIVIDENDS

Company—	Date	Rate, %	Record
Hollinger M., com.	June 17	1	June 7
Imperial Tobacco	June 27	1½	....
Crocker-W'l'r, pfd.	June 30	1¾	June 20
Do, com	June 30	1¾	June 20
Can. Loco., com.	July 1	1½	June 20
Do, pfd	July 1	1¾	June 20
Colonial Inv., pfd.	July 2	3	June 14
Do, com.	July 2	3	June 16
Cons. Rubber, pfd.	June 30	1¾	June 24
Riordon Pulp, pfd.	June 30	1¾	June 20
Can. Landed & Nat.	July 2	2¼	June 14
McKinley-Darragh	July 1	3	June 7
Molsons Bank	July 2	3	June 14
Dominion Bank	July 2	3	June 20
Dom. Steel, com.	July 1	1½	June 5
Dom. I. & S., pfd.	July 1	1¾	June 14
Can. Steam., pfd.	July 2	1¾	Juen 16
Twin City, pfd.	July 1	1¾	June 14
Mackay, com.	July 1	1½	June 7
Do, pfd.	July 1	1	June 7
Bank of N. S.	July 2	4	June 14
Do (new stock)	July 2	2 2-3	June 14
Lon. & Can. Loan	July 2	2	June 14
Can. Perm. Mtge.	July 2	2½	June 14
Porto R. Rys., pfd.	July 2	1¾	June 20
Atlantic Sug., pfd.	July 2	1¾	June 12
Ham. Provident	July 2	4½	June 14
Ames-Holden, pfd.	July 2	1¾	June 12
Can. Gen. El., com.	July 1	2	June 14
Tri-City Ry., pfd.	July 1	1½	June 30
Dom. Glass, com.	July 1	1	June 20
Do, pfd.	July 1	1¾	June 20
Landed Banking	July 2	4	June 16
Can. S. S., pfd.	July 6	1¾	May 16
Shredded W., com.	July 1	2	June 20
Do, pfd.	July 1	1¼	June 20
Pa. Water & Pr.	July 1	1½	June 19
Tor. Gen. Trusts	July 2	2½+1	June 19
Ont. Loan & Deb.	July 2	2¼	June 15
Brazil Trac., pfd.	July 1	1½	June 14
Woods Mfg.	July 2	1½	June 13
Price Bros.	July 1	2	June 15
Cons. Smelting	July 2	2½	June 10
Can. Cottons, com.	July 4	1½	June 23
Do, pfd.	July 4	1½	June 23
Consumers' Gas	July 2	2½	June 14
Ottawa Traction	July 1	1	June 15
Ottawa Mfg.	July 1	1	June 15
Dom. Canners, pfd.	July 2	1¾	June 21
Duluth-Sup., pfd.	July 1	1	June 14
Illinois Trac., pfd.	July 1	1½	June 14
National Trust	July 1	2½	June 19
Dom. Textile, com.	July 2	2	June 14
Wabasso Cotton	July 2	1½	June 13
Toronto Mortgage	July 1	2	June 14
City Dairy, pfd.	July 1	1¾	June 20
Prov. Paper, pfd.	July 2	1¾	June 14
Do, com.	July 2	1	June 14
Intercol. C'l, com.	July 1	3	June 21
Do, pfd.	July 1	3½	June 21
Toronto Paper	July 2	3+1	June 21
Ogilvie Flour, com.	July 2	3	June 23
Cen. Can. Loan	July 2	2½	June 16
B. C. Electric Ry.	June 29	2½	....
F. N. Burt, com.	July 1	2	June 18
Do, pfd.	July 1	1¾	June 18
Pacific Burt, com.	July 1	1	June 18
Do, pfd.	July 1	1¾	June 18
Laurentide	July 2	3+3	June 24
Goulds Mfg., com.	July 1	1½	June 20
Do, pfd.	July 1	1¾	June 20
Natl. Brew., com.	July 2	1½	June 16
Can. Car, pfd.	July 10	1¾	June 26
Shawinigan, com.	July 10	1¾	June 27
Hill-Colliers, com.	July 15	1	June 30
Do, pfd.	July 15	1¾	June 30
Maple L'f M., com.	July 18	3	July 3
Do, pfd.	July 18	1¾	July 3
Tuckett Tob., pfd.	July 15	1¾	June 30
Dom. Textile, pfd.	July 15	1¾	June 30
London Loan	July 15	1¾	June 15
Bell Telephone	July 15	2	June 30
Asbestos, com.	July 15	1¼	July 1
Do, pfd.	July 15	1½	July 1
N. S. Steel, com.	July 15	1¼	June 30
Do, pfd.	July 15	2	June 30
Bank Nationale	Aug. 1	2½	July 15
Provincial Bank	July ..	2	June 16
Nipissing Mines	July 21	5+5	June 30

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Excellent prospects for advancement. Replies confidential.

Box 7, Financial Post

DEBENTURES FOR SALE

City of Regina

Public School Debentures

SEALED tenders, marked "Tender for Debentures," will be received by the undersigned up to noon, July 2nd, 1919, for $139,000, 30-year 5½% debentures, interest payable semi-annually issued on sinking fund plan, for purpose of erecting a new school. No tender necessarily accepted. J. H. Cunningham, Secretary-Treasurer, Box 75, Regina, Sask.
Regina, Sask., June 14th, 1919.

City of St. Boniface

Notice to Holders of% Treasury Notes of the City of St. Boniface, due July 2nd, 1920.

TREASURY Notes of the City of St. Boniface Nos. 1 to 100 under bylaw 1128 and Nos. 1 to 100 under bylaw 1129, in each case due 2nd day of July 1920, will be redeemed at the rate of 99.80 if presented for payment at Toronto, Ont., Montreal, Que., or Winnipeg or St. Boniface, Man., on or after July 1st, 1919.

JOS. C. DUSSAULT,
Treasurer.

TENDERS FOR DEBENTURES

Town of Smiths Falls

THE undersigned will receive bids for $11,514.00 Water Works Debentures until 6 o'clock p.m., Monday, July 7. Debentures are payable in 20 instalments and bear interest at rate of 5½%.

J. A. LEWIS,
Town Clerk.
Smiths Falls, June 17, 1919.

Montreal Tramways and Power Company
Limited
Secured Gold Bonds
To Yield 6¼%.
Particulars on request
Green, Henderson & Co.
Sun Life Bldg., 60 Victoria St. Toronto, Canada

National Life Preserver Co.
of New York

I will sell 87 shares of this stock for $35.00 a share

J. L. LAROCQUE
32 Chaboillez Square
MONTREAL

MINES — TIMBER

This Company maintains a special department for the investigation of development propositions in Western Canada, and only those of sterling merit are commended to the consideration of our clients.

LOUGHEED & TAYLOR, Limited
Government, Provincial, Municipal and School Bonds
Calgary, Canada

THE STANDARD BANK OF CANADA ESTD 1873

SAVINGS, Thrift, Independence—all these are the outcome of the same impulse and attain the same objective—PROSPERITY. The Standard Bank of Canada can help you to attain it.

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OF CANADA
MAIN OFFICE
15 KING STREET WEST
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Route Your Shipments
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HOW about your important private papers, your jewelry, plate and china? Do you think it wise or safe to leave them locked up in your house?

Space in our modern fire and burglar proof vaults costs very little and provides absolute security.

We will call for and deliver within the city limits all sealed or locked packages, bags, trunks, cases or barrels and take full responsibility for their safety from the time they leave your possession until returned.

A private deposit box in our safety vault may be obtained at $2.00 per year.

Telephone Adelaide 4700.

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GOVERNMENT, MUNICIPAL and other HIGH-CLASS SECURITIES BOUGHT and SOLD

Correspondence Invited

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THE MANAGER, BOND DEPARTMENT
Toronto

62

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital, - - - - -	$ 9,700,000
Reserve Fund and Undivided Profits, over	18,000,000
Total Assets, over - -	220,000,000

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager

BRANCHES:
CANADA—In all the larger cities and towns and throughout each province—254 branches.
NEWFOUNDLAND—St. John's and 18 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:
LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

Why Did We Let Trotzky Go?

THERE was a time when Canada had it in her power to end the war. In the early days of the Russian Revolution a bushy-haired German was taken off a boat at Halifax and interned at Amherst, N.S. He pretended to be a Russian but was known to be in German pay—on his way to push the revolution—British and American Intelligence Officers so informed our authorities. But pressure was brought to bear and the man was finally released. He got to Europe and became the most sinister figure among the Bolsheviki. Largely as a result of his work, Russia dropped out of the war and Germany was able to fight on for eighteen months. That man was Leon Trotzky. His real name was Braunstein.

Why was Trotzky allowed to leave Canada?

Colonel MacLean discusses this question in the June issue of MACLEAN'S MAGAZINE. He tells the story of Trotzky's activities, of his arrest and subsequent release in full detail, tracing the threads of a strange intrigue from Germany to Washington, and Washington to Ottawa. It is a gripping story, the most important inside story of the war.

Other National Features of This Issue

"Victory Stuff" By Robert W. Service.
"Solving the Problem of the Arctic" By Vilhjalmur Stefansson.
"The Gold Wolf" By W. A. Fraser.
"Hobson's Hard Start" By William Byron.
"The Menace in the South" By Agnes C. Laut.
"The Undercurrents" By J. K. Munro.
And a score of other interesting articles.

Secure YOUR Copy EARLY--While Supply Lasts

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MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

20c. —— June —— 20c.

ON SALE AT ALL NEWSDEALERS

MONEY BANKING AND EXCHANGE

SUBSTANTIAL GAINS IN BANK CLEARINGS ARE REPORTED

Out of Total of Twenty-Six Only Two Cities Show Falling Off

DOMINION GAIN 21.1%

Gain for East is 27.9% and For West 1.1%—Montreal Gains 39% and Toronto 14.6%

Bank returns from the various clearing points throughout the Dominion for the week ending Thursday last show a total of $333,999,263, an increase over the corresponding period in the previous year of $58,395,214, or 21.1 per cent. Winnipeg and Brandon are the only two cities to show lower returns, the decrease for Winnipeg being $4,206,308 and Brandon $3,127. Montreal, with clearings amounting to $138,969,046, shows a gain of $39,013,473; while Toronto, with a total of $85,758,524, shows a gain of $10,977,869. Windsor shows the largest percentage gain with clearings for the week totalling $1,913,115, a gain of 49.9 per cent. The gain for the year to date is $691,181,720. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities	June 19, 1919	Change	%
Montreal	$ 138,969,046+	$ 39,013,473	39.0
Toronto	85,758,524+	10,977,869	14.6
Ottawa	9,376,667+	1,059,483	12.7
Hamilton	6,022,805+	772,382	14.7
Quebec	5,832,631+	1,472,638	33.8
Halifax	5,830,635+	1,360,482	30.4
London	3,171,261+	739,105	30.4
St. John	3,131,949+	823,119	35.7
Brantford	1,109,173+	186,116	20.1
Peterboro	690,274+	87,449	14.5
Sherbrooke ...	952,860+	196,348	25.9
Kitchener	908,559+	272,842	42.9
Windsor	1,913,155+	637,305	49.9
Total, East. ..	$ 263,666,399+	$ 57,598,612	27.9
Western Cities	**June 19, 1919**	**Change**	**%**
Winnipeg	$ 34,775,611—	$ 4,206,308	10.7
Vancouver ...	11,146,771+	425,962	3.9
Calgary	6,485,100+	818,439	14.4
Edmonton	4,238,206+	1,238,725	41.4
Victoria	2,213,915+	321,694	17.0
Regina	4,397,746+	934,437	27.0
Saskatoon	2,060,234+	375,546	22.3
Moose Jaw ..	1,658,172+	464,729	28.9
Fort William..	817,283+	82,514	11.2
Brandon	580,772—	3,127	.5
Lethbridge ...	781,553+	18,869	1.8
N. Westminster	518,099+	126,839	32.4
Medicine Hat .	659,351+	203,283	44.5
Total, West. ..	$ 70,332,863+	$ 796,602	1.1
Grand total..	$ 333,999,263+	$ 58,395,214	21.1
Yr. to date..	$6,317,054,945+	$691,181,720	12.2
Prince Albert	314,312		

MARKET FOR FUNDS IS VERY NARROW

Expected That Conclusion of Winnipeg Strike May Release Quite a Supply

Quotations on New York funds have moved between very narrow limits during the week. The supply is light and the demand limited. In fact there is not enough business either way to occasion fluctuations. At the moment there is no immediate prospect of a change, though the settlement of the Winnipeg strike may release quite a supply of funds from that quarter. The course of the market during the week was as follows:

June 13.—Funds sold at 2 27-32 per cent. to the buyer, closing at 2 13-16 per cent. to the buyer offered.

June 14—Sold at 2 27-32 to the buyer and 2 13-16 to the seller.

June 16—Sold at 2 27-32 to the buyer and 2 13-16 to the seller throughout.

June 17—Sold at 2 27-32 to the buyer and 2 13-16 to the seller; in Montreal at 2 13-16 to buyer, closing at 2 27-32 to the seller.

June 18—Sold at 2⅞ to the buyer; down to 2 27-32 to the seller; then 2⅞ to the buyer again and closed 2 27-32 to the seller offered.

June 19—Market quiet at 2 27-32 to the seller.

June 20—Funds at 2⅞ to the buyer.

There has not been much change in sterling, but francs, after firming up somewhat, experienced quite a sharp decline. Opening quotations on each day of the week were as follows:

	Sterling		Francs	
	Demand	Cables	Demand	Cables
June 13	4.61¼	4.62¼	6.39	6.37½
June 14	4.61	4.61⅞	6.36	6.34
June 16	4.61	4.61⅞	6.26½	6.25
June 17	4.60⅝	4.61⅝	6.35	6.33½
June 18	4.61¼	4.62¼	6.46½	6.44½
June 19	4.61⅜	4.62⅜	6.50	6.48
June 20	4.69¾	4.61¾	6.49	6.47½

MERCHANTS

The Merchants' Bank of Canada has decided to open a daily service at the Rosalind branch with N. H. McKean of Red Deer in charge as manager.

J. Thompson of Toronto has been appointed teller at the Hanover branch of the Merchants' Bank.

F. W. Newton, manager of the Gladstone branch of the Merchants' Bank, has been transferred to the branch at Wetaskwin, Alta.

ROYAL

F. Skelton, of the Dundas branch of the Royal Bank, has been transferred to the new branch opened on the Mountain at Hamilton.

The Royal Bank of Canada announce the opening of the following branches: Rose Blanche, Nfld.; Lintlaw, Sask.; Sunbridge, sub-branch to South River; Basse Terre, Guadeloupe; Mount Hamilton, Ont.; Camajuani, Cuba; Whycocomagh, N.S.

IMPERIAL

The Imperial Bank has opened a branch at the corner of Ross and Wellington streets, St. Thomas.

H. W. Y. Baldwin, who has been accountant in the Imperial Bank at Bolton for some months, has been appointed manager of the Sparta branch.

F. R. Wilson of St. Catharines will succeed Mr. Baldwin at Bolton.

MONTREAL

The Bank of Montreal is arranging to open a branch at Oshawa shortly.

NOVA SCOTIA

Robert T. Laing, manager of the Agincourt branch of the Bank of Nova Scotia, has recovered from his wounds sustained recently during a duel with two bank robbers and has now returned to his home.

COMMERCE

Branches of the Canadian Bank of Commerce have been opened at the following points: Burin, Nfld., with C. J. Loughlin in charge, and at City Hall, London, Ont., with A. D. McLean as manager.

BANK OF ENGLAND

London, June 19.—The weekly statement of the Bank of England shows the followng changes:—

Total reserves increased	£ 986,000
Circulation decreased	285,000
Bullion increased	700,696
Other securities increased....	542,000
Public deposits decreased......	298,000
Private deposits decreased....	6,649,000
Notes reserve increased.......	854,000
Government securities dec.....	8,289,000

Th proportion of the bank's reserve to liability this week is 19.71 per cent.; last week it was 18.17 per lent. Rate of discount, 5 per cent.

BANK STOCK CHANGES

	Last June 12	Sale June 19	Ch'ge
Commerce	204	204	....
Dominion	205¾	204	— 1¾
Hamilton	184	184	....
Hochelaga	*151	154	+ 3
Imperial	198	200	+ 2
Merchants	194½	198	+ 3½
Molsons	196	193	— 3
Montreal	215¼	217	+ 1¾
Nova Scotia	277	277	....
Royal	214	215	+ 1
Standard	214¼	214	— ¼
Toronto	200	200	....

*Last previous sale.

BANK DIVIDEND RATES ADVANCED

Merchants Basis Now Twelve Per Cent. and Nationale Nine Per Cent.

By Resident Representative.

The Merchants Bank of Canada increased its dividend this week from 11 to 12 per cent., as was predicted in the FINANCIAL POST on May 24. This comes in the form of a declaration of a 3 per cent. dividend for the current quarter, payable on Aug. 1, to holders of record July 15. It is announced that new and partly paid stock not entitled to full dividend ranks proportionately from date of payments. This of course has reference to the new issue of $1,400,000, stock on which a series of payments are being made. The following is the dividend record of the bank in the past ten years:

1908, 8 per cent.; 1910, 8¼ per cent.; 1911, 9¼ per cent.; 1912-1918, 10 per cent.; 1918-1919, 11 per cent.; 1919, 12 per cent.

Le Banque Nationale, Quebec, was the second Canadian bank this week to announce an increase in the rate of dividend. The declaration was 2½ per cent., payable Aug. 1, to shareholders of record July 15, covering the quarter ending July 31, 1919. This is an advance of 1 per cent. in the rate, the previous dividend being 8 per cent. Up to the year 1912 the dividend was 7 per cent., which was raised to 8 per cent. in 1917.

BANK BRANCHES OPENED IN MAY

Seventy-Two Branches Were Opened and None Closed

According to returns furnished the FINANCIAL POST, the Canadian chartered banks opened seventy-two new branches during the month of May, while there were no branches closed. The Bank Nationale opened twelve of the new branches in the Province of Quebec; Commerce opened nine branches; Imperial and Merchants eight each; Union seven; Royal six; Hochelaga, Dominion, Montreal and Provinciale three each; Molsons, Nova Scotia, Standard and Toronto two each, and the Hamilton and Sterling one each.

Following is a list of the branches opened:

Commerce—Hamilton, Ont.; Martinville, Que.; Ashmont, Beaver Lodge, Bellis, Rochfort, Whitecourt, Alta.; Nipawin, Sask.; Ladner, Sask.

Dominion—Three in Ontario.

Hamilton—One in Ontario.

Hochelaga—Hull; Lac Frontiere; Nicolet, Que.

Imperial—Two Ontario; two Manitoba; four Alberta.

Merchants—Eastwood, Ont.; Harrisburg, Ont.; Paisley, Ont.; St. Lambert, Que.; Huxley, Alta.; Artland, Cornfield, Evesham, Sask.

Molsons—One Ontario; one Quebec.

Montreal—Bloomfield, Ont.; Montreal, Que.; Carbonear, Nfld.

Nationale—Twelve Quebec.

Nova Scotia—One Ontario; one Saskatchewan.

Provinciale—S. Anne des Planier, Que.; Anderson Siding, St. John, N.B.

Royal—Toronto; Kitchener; Red Willow, Alta.; Telkwa, B.C.; Harbor Buffett, Nfld.; L aMaya, Cuba.

Standard—Napanee, Ont.; Spruce Lake, Sask.

Sterling—Hawkestone, Ont.

Toronto—Two Alberta.

Union—Campbellford, Ridgetown, Rodney, Ont.; Elm Creek, Alta.; Acadia Valley, Alta.; Alida, Sask.; Sussex, N.B.

CONVENTIONS POSTPONED

Strike Conditions Affect Plans of Union Bank

By Special Representative

WINNIPEG—On account of strike conditions the conventions of managers of the Western branches of the Union Bank have been postponed. At present it is hoped to arrange for these meetings during July, but it remains to be seen what the developments may be.

In connection with the visit to Winnipeg of B. B. Carter, Eastern Superintendent, and E. M. Dawson, manager of the Foreign Exchange Department, Montreal, the Winnipeg Free Press says:

"The visit of these two higher-up officials of the Eastern division of the Union Bank of Canada draws attention to the aggressive developments which have been in progress in the Eastern provinces as well as in the Western provinces in recent months. The bank's branch system has now been extended to 360 branches, of which some fifty have been opened since the commencement of the present year, rather a remarkable broadening of the Union Bank's service.

"This extension has included the reopening of many offices in the West which were closed for the war period, but which have resumed to lend the Union Bank's fullest possible co-operation in the new era of reconstruction."

HAMILTON

The Bank of Hamilton has opened a new branch at Drayton, Ont., in charge of W. G. Scott, who has been appointed manager.

OTTAWA INQUIRY SHOULD BE ON A BUSINESS BASIS

Continued from page 1

January, 1916, of $442,050 that had been gradually saved up from earnings, not in a few years, but nearly forty. By the end of January, 1919, enormous orders, due to a world scarcity of goods, had raised that surplus to $1,010,427—forty years of savings for the shareholders—and it was the total of the $600,000 cash paid in, and the forty years' accumulation of one million, or $1,610,427 in all, that should, honestly, have been figured on by the learned counsel, in estimating profits, which would have cut his high numbers almost in three.

He adopted a similar method in forcing inflated percentages on the Dominion Textile Company, and figured profits on the actual amount of cash paid in for capital stock, disregarding millions of dollars belonging to the shareholders that had been thrown back into the company just for this very development in manufacturiong capacity.

Was it ignorance on this counsel's part? Or was it a species of cheap demagogery? Was he ignorant that a piece of legislation passed by the Government in power—to which Mr. Pringle owes many of his appointments as inquisitor—established the very basis of figuring profits that Mr. Pringle saw fit to disregard. In the Business Profits War Tax Act of 1916, section 7, subsection 4, Mr. Pringle would read as follows:

> "For the purposes of this Act the actual unimpaired reserve, rest or accumulated profits of an incorporated company shall be included as part of its capital."

And if the Taxing Commissioner for Canada, with the consent and approval of the Parliament of Canada, established this method of figuring profits as the only fair basis to the manufacturer and his shareholders, why should it not be accepted by Mr. Pringle, and by a committee of the very House that sanctioned it? If this standard was a fair, a legitimate one, when the country required all the revenue it could gather from this tax, why should a false impression be created against the same group by utterly disregarding this standard, and replacing it by a thoroughly unfair one that made profits three times as great in one case from a percentage standpoint, and over ten times as great in the other.

There is something peculiarly delightful to the Bolshevik temperament, and obnoxious to the average thinking man, in the working theory of Mr. Pringle before this committee in another direction. He disregards the amount of production entirely. He would make the firm producing two million dollars' worth be content with the same profits as the firm producing one million. On the same theory he would force the farmer who produces ten thousand bushels of wheat to cut down his progts to the same figure as if he had produced five or two thousand, for his "capital"—in the terms Mr. Pringle works on—would be the same. The Paton firm was producing three times the normal amount in 1916 and 1918 as it did before: but its profits should not vary. The Dominion Textile Company ought to show the same total of profits—and so the same Pringle percentage on "capital"—with a production of $23,666,216 in 1918-19, as with a production of $13,375,750 two years before. The ordinary retailer works out profits on his "turnover," so does the wholesaler, but the Pringle method forbids to the manufacturer the old average of profit for his enterprise by increasing his business.

It is well to remember, too, that while world conditions increased profits in nearly every line above the normal, where there was a pronounced demand during the year, there were lean years in 1914-15, and in many that preceded. The Paton Company's average returns to shareholders during an existence of forty years were not equal to what a Victory Bond pays; for eight years the shareholders received not a cent, and it is within the past year that "textile" shareholders were receiving 7 per cent.

Nor should the average public accept the implication of the investigating committee that the actual profits made represented the chief, or even an important portion of the increased "cost of living." By far the greatest portion is the result of two items: enormously increased cost of raw materials, and much higher cost of labor. To take the case of woolens: Canadian wool of the "combing" grade cost 27 cents in 1902; to-day it costs over $1.00 per lb.

Let high profits, if need be, bear their share of the blame, but a protest must be entered against methods of investigation at Ottawa, and insinuations and conclusions that are grossly unfair to the representative witnesses that are being heard.—H. H. B.

NEWS AND VIEWS FOR MANAGERS

CANADA'S BRANCH SYSTEM BUILT ON HAMILTON MODEL

Founder of Canadian Banking Adopted Views of Illustrious American

HAS STOOD THE TEST

President of Bankers' Association Tells in New York Sun of Our Financial Experiences During the War

Such reckless statements regarding Canada's banking system as that of A. J. France of the Woukesha (Wis.) National Bank: "Canadian branch banks have no capital, no board of directors, no principal officers, they pay no local dividends and practically no taxes and if they have to refer all loans of £100 or over to the head office as the London Bank requires of its 1.300 branches, then we can understand why the progress of Canada is seriously paralyzed," are being used by American publications in discussing the case for and against branch banks. As no one believes that the progress of Canada is "seriously paralyzed." or likely to be—because of the banking system or for any other reason—such charges are not worthy of consideration but they give an opportunity for removing some of the public misapprehension regarding the branch bank system, a system which is good enough for Great Britain, and is not by any means unknown in the States. The London City and Midland bank; for example, has 1.300 branches, while there are 132 banking offices embraced in the branch system in the City of Detroit. With the evident idea of enlarging the knowledge of Americans regarding Canadian banking, Edson L. Pease, President of the Canadian Bankers' Association has written an article in the New York Sun giving a history of the system which was built upon the model favored by that illustrious American financier, Alexander Hamilton. A portion of Mr. Pease's article is reproduced.—J. W. T.

While our political system follows closely the British model, Canadian institutions in the main have been based on those of the United States, which was forced by a more rapid development to an early solution of our common problems. It is an evidence of this practice of availing ourselves of our neighbor's experience that, early in the nineteenth century we looked across the border for a system of banking suited to the needs of a young and growing nation, with a sparse population and a vast undeveloped territory. At that time two rival schemes were the subject of bitter contention in the newly formed republic, that devised by Alexander Hamilton, who advocated a strong banking institution under Federal control, with the Scottish system of branch banks, and that of Thomas Jefferson, who favored State control.

Canadians Took Hamilton Plan

In the formation of the Bank of the United States, Hamilton succeeded in carrying out his theory; but after his untimely death and the removal of his wonderful personality the policy of Jefferson was adopted, and the United States became committed to a system of small banks.

The early bankers of Canada saw the possibilities of the Hamilton plan. These farsighted men, mostly of Scottish origin, recognized that, in an undeveloped country, banking facilities should not be restricted to well-established settlements, but that it would be for their ultimate profit to become pioneers, working side by side with the advancing settler and providing him with the surplus capital of older communities. They therefore organized upon Hamilton's model, and adopted a system of branch banks, national in scope, naturally passed under Federal control.

From the time of the drafting of the first Dominion banking act, the closest co-operation characterized the relationship of banks and Government, a relationship which has remained above politics and party interest. The formation, in 1890, of the Bankers' Association, to act as an official medium to express Canadian banking interests, simplified this intercourse; and though its primary function was the encouragement of sound banking, it was through this association that in the time of crisis the whole financial machine of Canada was enlisted to avert panic and apply to best advantage the resources of our country.

The efficiency of the close working arrangement between the Government and banks was never so strikingly demonstrated as at the outbreak of the war. Within twenty-four hours measures to cope with the crisis had been formulated, sanctioned and put into effect. In order to conserve the Canadian gold supply and to forestall any domestic demand for the purpose of hoarding, the redemption of gold of Dominion notes was suspended and the chartered banks were authorized to make payments in their own issues instead of in gold or Dominion notes.

War Time Financing

To enable the banks to extend adequate facilities to the public, the pre-war privilege which they had enjoyed of issuing excess circulation of their notes to an amount not exceeding 15 per cent. of their rest or reserve fund during the usual period of moving the crops was extended to cover the remaining months of the year, and has continued to the present time. The Government further declared itself ready to make advances to such an amount as might be necessary upon the pledge of securities deposited by the banks and approved by the Minister of Finance. In his letter notifying the various banks of this arrangement the Minister stated that the legislation was intended by Parliament "to enable the banks of Canada to extend in this time of stress such credit facilities to the community as may be proper, having regard to prevailing conditions and the observance of sound banking principles."

The business of the banks was carried on as usual, and by vigorous effort a general moratorium was averted, for it was felt that as the whole national fabric was built on credit Canada would be seriously injured by such a measure. At this critical period American investors showed their confidence in the resources of the Dominion and its financial stability by making large purchases of our municipal debentures and other securities. An advance of $60,000,000 was made by Great Britain for military purposes, which also relieved the stringency, while enlistment for overseas service solved the problem of the unemployed.

HAVE BANK CLERKS CAUSE TO COMPLAIN?

Some Interesting Comment Upon the Position and Salaries of Bank Employees

Some weeks ago, on this page I earnestly ventured the suggestion that the matter of salaries of bank employees should have very careful consideration at the present time at the hands of those in charge. They are not in a position to use the lever or club of a union to enforce their claims for higher pay—and higher pay they are certainly entitled to under the conditions prevailing and considering also the fact that the banks, like many other business institutions, are experiencing prosperity. Members of bank staffs were asked, however, to remember that not all could rise to general managerships and that there were many clerks who were probably better off in their present positions than they would otherwise be. What follows is a somewhat different view of the matter which appears in the Bulletin of the Chemical National Bank of New York.—J. W. T.

One day, not so very long ago, an employee complained of the lot of a bank clerk. It is not such an odd complaint, either: we have an idea bank clerks complain of their lot just on general principles. This man was old and trusted; he had been with the institution many years, and, in proportion with the length of his service his salary had been correspondingly increased. At present he earns enough to support his wife and family comfortably and to send his son through college; not so very bad, we think, for a man who is a bank clerk. Personally, we registered the mental note in our opinion he was not making what he was getting, that he was more or less of a charity case, and that the bank was to be praised for keeping him when a younger man could be secured for less money. We are not advocating the plan of discharging old employees; we are, on the other hand, censuring the employee for his attitude of mind.

The Futility of a "Pull"

He was complaining about the lot of the bank clerk; he objected that a certain man had been raised to a position above him because of pull. (We have no facts concerning the pull.) He said the other man was no more capable than he; we were not inclined to dispute him, nor, on the other hand, did we think him any more capable than the other man. The man who secured the higher position may not have had any more claim to it than the disputer, but the tables could have been reversed with a like injustice to the other man.

The trouble with this man was that all he saw was the job; he could not see himself. His philosophy was built around the idea that because we are born it is someone's duty to keep providing for us all our lives; we are first given food and then a toy, and then a book, and then a position, and then a wife and family, and then a raise in wages so that we may provide for the wife and family, and so on through a continuous babyhood.

Forgetting a Truth

And all this is due us! This man was very religious, and yet he had forgotten the very solemn truth: "The foxes have holes, and the birds of the air have nests, but the Son of Man has not where to lay his head." It is not true that there are only 3,000,000 positions available in New York for the more than five and one-half million inhabitants; that is the fallacy on which Bolshevism is founded. There are as many jobs as there are people—indeed, many more—but each man must make his own. There is an infancy in work, a period of learning, as in everything else. When an employer offers a man the opportunity of filling a notch already made, he is offering him the infancy of his work; his training. If the man chooses to remain an infant all his life, if he fails to make his own notch, he has no cause for complaint; he ought to thank a beneficent Providence that there are some men big enough to open wide notches that many men may fill them. Ask of a man where he would be if his employer dissolved the business, and the answer will tell whether the employer is debtor or creditor.

Your Calibre and Your Pay Envelope

Believe that the world owes you a living, if you must, but you will never collect the debt. Measure your own development by the size of your pay envelope if you value yourself that cheaply. If you think that your pay is too small . . . but you will have little time to think about pay at all (providing it suffices for meat and drink) if you are kept busy developing. No one can live your life but you; no one can take your living from you. No one can take your livelihood to you, because it exists in your own development.

Are you the man who complains of being a bank clerk? Then you are complaining about what you yourself have made—or were too weak to make. Are you glad to be a bank clerk because under the tutelage of experienced hands you are learning things? Then you are strong; and if the bank were to crumble away tomorrow and leave you the sole survivor of the ruins, you would not be afraid, for you would still have your living.

NEW CHECK PLAN

To Offset a Loss of Fifteen to Seventeen Millions Annually

ATLANTIC CITY. — The loss by banks due to the present system of collecting checks and exchange is from $15,000,000 to $17,000,000 annually, Robert D. Kent, president of the Merchants Bank of Passaic, N.J., declared before the annual convention of the New Jersey Bankers Association, in discussing the "domestic exchange" system. All but a few millions could be saved through the Federal Reserve banks providing for the exchange of checks which are in the mails at par, and number 2,500,000 representing $300,000,000 to $500,000,000 in value, he said. He saw a saving by the Federal banks offsetting the checks "in float" between one district and another by cancelling each other.

GUELPH MAY LINK WITH C.P.R. RATHER THAN WITH HYDRO

Continued from page 1

cent. to cover the increased cost of construction. Sir Adam, from his manner of procedure, evidently thought that he would have no difficulty in taking away a signed agreement with him. However, the actual result was, as previously stated, a fourteen to one vote against him and in favor of further consideration before reaching a decision.

Sir Adam Contrary

Another factor in the situation which is influencing the present attitude of the council, THE FINANCIAL POST understands, is that Sir Adam is adopting his usual strong-arm methods of getting support. For instance, he refuses to allow the city to use a surplus of $50,000 carried on deposit at 3 per cent. by the local Hydro Commission while the council must borrow at the usual rates. The council has offered to give the commission the same security as now being given to the bank. There is a loss here of $1,250 a year to the city,, which could easily be avoided.

Efforts are also being made to force through the new Hydro agreement on the grounds that the ratepayers are committed to this course without a further vote, having supported the previous arrangement. Further, there is the typical threat of Sir Adam to throw up the whole project if there is any thought of failing to give him loyal and undivided support.

In the events of an agreement being made with the C. P. R.—and THE FINANCIAL POST understands that negotiations are well advanced—there will no doubt be an attempt by Hydro supporters to hold the city to a clause of the agreement with the commission which makes it necessary to consult that body before making agreements affecting rights on the streets. However, it is believed that in this case the way is made clear through the fact that the city is actually operating under a charter granted to the private builders of the road which was afterwards taken over by the city.

Atlantic Sugar Refineries
Limited

REPORT OF THE DIRECTORS

To the Shareholders,

ATLANTIC SUGAR REFINERIES, LIMITED

Your Directors take pleasure in presenting herewith the fourth annual statements of your Company for the year ended April 30th, 1919.

The profits for the year, as will be seen from the Profit and Loss Account, amounted to $375,332.57 after making deductions for depreciation and reserves. The balance of $323,439.11 brought forward from the previous year added to the above makes a total of $698,771.68 at the credit of Profit and Loss Account.

It will be noted that the item of $186,855.53 for Bank Interest and Exchange is abnormally large. Approximately $115,000 of this sum represents exchange paid on remittances to New York to provide for raw sugar purchases.

The total business of the Company for the year amounted to over $11,000.000, showing an increase over the previous year of approximately 5%. Export business for the year showed a decrease compared with the previous year, but domestic sales showed a substantial increase. The demand for refined sugar for export is very heavy. The Company is doing a share of this business and, it is expected, will further participate in it to the extent of keeping the refinery operating to full capacity.

During the year the business of sugar refining in Canada was carried on under the control of the Canada Food Board and the volume of business of your Company was limited by the quantity of raw sugar obtainable. The Board fixes the price of raw sugars bought by the Company and also the price at which refined sugar is sold. The control of the Food Board is still maintained and will probably continue throughout the present calendar year.

Your Refinery was operated steadily throughout the year with the exception of three weeks in December, 1918, when, having no raw sugar on hand, the opportunity was taken to make certain necessary repairs.

The efficiency of your Refinery has been maintained and improvements and betterments are constantly being made, with the result that costs of operation compare favorably with those of any refinery in America.

The advertising policy of the Company, and the quality of its advertising matter, have been of material assistance in the distribution of the Company's output and in continually fostering the goodwill of the consuming public of Canada, and this publicity—combined with the constant excellence of the Company's product—has established the Company's Brands and Trade Marks as very valuble assets.

On July 1st, 1918, the Company redeemed outstanding bonds amounting to $50.000 in accordance with the terms of the Trust Deed.

Your Directors have declared a dividend on the Preferred Shares of 1¾%, payable July 2nd, 1919, to shareholders of record of June 12th.

Giving due consideration to all factors, both favorable and unfavorable, which have affected the business of sugar refining in Canada, your Directors consider the Statements herewith to be satisfactory.

Respectfully submitted.
D. LORNE McGIBBON,
President

June 20, 1919.

BALANCE SHEET AS AT 30th APRIL, 1919
ASSETS

Lands, Buildings, Wharfs, Plant, equipment, etc.	$4,120,259.58	
Franchises, Leases and Goodwill	3,000,000.00	
		$7,120,259.58
Cash	$ 30,908.29	
Accounts Receivable	451,305.84	
Bills Receivable	249,864.61	
Inventories	2,498,098.37	
Investments	170,329.00	
		3,400,506.11
Expenditures made on account of future business		40,712.38
		$10,561,478.07

LIABILITIES

Capital Stock:—		
Authorized:—		
30,000 7% Cum. Con. Preferred Shares of $100 each	$3,000,000.00	
35,000 Common Shares of $100 each	3,500,000.00	
Issued:—		
25,000 7% Com. Con. Preferred Shares of $100 each	2,500,000.00	
35,000 Common Shares of $100 each	3,500,000.00	
		$6,000,000.00
NOTE—Dividend on Preferred Stock cumulative from 1st July, 1914.		
Bonds:—		
Authorized:—		
$2,000,000 First Mortgage 6% Bonds Issued	$1,570,000.00	
Less:—Redeemed	150,000.00	
		1,420,000.00
Bills Payable	$2,003,450.00	
Accounts Payable	116,567.07	
Bond Interest Accrued	28,400.00	
		2,148,417.07
Reserves for depreciation	$ 224,397.12	
Reserves for Bad Debts and Business Profits War Tax	69,892.20	
		294,289.32
Profit and Loss Account—Balance		698,771.68
		$10,561,478.07

Contingent Liability for Bills under Discount, $540,223.00.
(Note) These Bills have since been met.

Approved on behalf of the Board,
D. LORNE McGIBBON,
S. J. Le HURAY,
Directors

To the Shareholders of the Atlantic Sugar Refineries, Limited.

We have examined the Accounts of the Atlantic Sugar Refineries, Limited, for the year ended 30th April, 1919, and have obtained all the information and explanations required by us. We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and explanations given to us, and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & ROBERTSON,
Chartered Accountants.
Montreal, 14th June, 1919.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED APRIL 30th, 1919

Balance as at 30th April, 1918			$323,439.11
Gross Profit for year before providing for undernoted charges		$986,343.71	
Deduct:—			
Bond Interest for year	$ 85,700.00		
Bank Interest and Exchange	186,855.53		
Depreciation for year	164,397.12		
Reserve for Bad Debts and Business Profits War Tax	69,892.20		
Betterments	104,166.29		
		611,011.14	
			375,332.57
Balance			$698,771.68

The Financial Equipment

of The Bank of Toronto for the successful handling of business accounts include:

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THOMAS F. HOW
GENERAL MANAGER

Your banking business invited.

16

THE BANK OF TORONTO

THE FINANCIAL POST

President - - - - - JOHN BAYNE MACLEAN
Manager - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - J. W. TYSON

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PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.
MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 734 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, Room 1401 Lytton Bldg., 14 E. Jackson St., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co., of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, JUNE 21, 1919

THE STREET RAILWAY FRANCHISE CONTRACT

UNDER its franchise the Toronto Railway Company agree to give local service at set fares until 1921. The men are demanding increases in pay—and these increases will have to be met in part at least—which the company quite evidently cannot meet from its ready resources. That in brief is the present crisis.

The city is demanding that its contract be fulfilled. This demand is technically sound. But, can it be enforced? The company cannot pay out money which it has not got. If the city continues to stand by the agreement, it can perhaps cancel the charter rights. But that is not disposing of the problem. There is a service owing to the citizens which the city must provide. Suppose, for the sake of argument, the charter agreement is broken. Then the most sensible course for the city would seem to be to make an agreement with the company to operate under some new agreement until such time as a permanent solution can be worked out.

Such an arrangement could, we believe, be reached on a basis of a reasonable income to finance the service rendered. The increase in fares involved would not be a burden for the citizens who are now paying less than four cents on the average, which we believe is the lowest basis on the continent and compares with an average of over five cents in Montreal and six to eight cents in American cities.

Toronto city authorities can gain nothing by trying to enforce a contract if the company is prepared to pay the penalty involved for not being able to perform its part. In that event a new arrangement with the company is the most sensible way out of the difficulty for the time being.

REGULATING LOAN COMPANY AFFAIRS

THE bubble of land speculation which has formed the inflated background of the Standard Reliance Mortgage Corporation has burst. From the information which has been made public in connection with the appointment of a receiver THE FINANCIAL POST believes that two points have been particularly emphasized:

1—That it is dangerous for mortgage loaning companies to put out their funds extensively with non-productive property as the only security.

2—That legislative measures will not prevent such covering up tactics as were followed in this case until there is appointed a practical official with powers to investigate and check tendencies which threaten to undermine the security of depositors and debenture holders.

On several occasions since the collapse of the Dominion Permanent we have recommended action along these lines. The need has now been emphasized by the Standard Reliance case. The reports made by the company did not indicate the steady inflation which was occurring by the non-payment of interest on the Dovercourt lands mortgage. But it would have been very simple for a practical, experienced loan company man to have investigated the matter under the legislation which already exists. Action taken even since disquieting rumors regarding the company have been heard in financial circles should have at least led to some regulation of the sale of debentures and shares.

The Standard Reliance affair should awaken the Government to its responsibility towards the investing public. Also it should awaken the investing public to the necessity for discrimination in buying securities. The failures which have taken place do not reflect any weakness of the mortgage companies as a whole, but they do emphasize that they are not all the same and that a debenture is not necessarily a safe proposition. The trouble appears to be that the loan companies as a whole have stood so high that the weak concerns have been able to trade upon the reputation of the others. In this respect there should now be a change.

POOR PSYCHOLOGY OF THE C.M.A.

IT was only to be expected in view of the unpopularity of that organization, that when the C.M.A. went on record as against the extension of public ownership of the railways public opinion should at once strengthen in favor of this course. Things have come to a state where what is demanded by the manufacturers is regarded as being detrimental to public interest. The editorial outcry of the public ownership newspapers rallying public opinion to counteract this expression of the manufacturers was forecast by THE FINANCIAL POST which last week said:

> It is indeed to be seriously doubted if such declarations as that opposing further Government ownership of railways will have ultimate good in their effect upon public opinion. On such questions it is generally understood where the Association and its members stand and to go on public record does not aid in allaying the public attitude of resentment against what the people are misled to believe are a privileged class.

The time has arrived when even the clique which has controlled the C.M.A. cannot longer ignore "the handwriting." Not by antagonizing and opposing public opinion can the manufacturers secure their proper recognition, but rather by freely and openly putting their case before the people and before their employees. Canadian manufacturing is a dominant factor in national prosperity. In order to maintain that prosperity labor must give reasonable co-operation, adequate protection must be provided and commercial and financial machinery must move smoothly.

Until the public recognizes this, unrest must be expected to continue as a serious menace. Such recognition will not be given until there is a still greater change in the C. M. A. attitude.

The association should refrain from butting into matters that are not of exclusive interest to its members.

BRINGS THE EAST AND WEST TOGETHER

Hon. E. J. Davis, manufacturer, King, Ont.—"THE POST has been most valuable in giving us news and views of Western conditions, opinion and developments."

M. A. Brown, merchant, Mayor, Medicine Hat, Alta. —"I follow THE POST closely. It keeps us informed on industrial conditions in the East."

THE DEPUTY'S INDIFFERENCE

MR. BLAKE, M.P., North Winnipeg, speaking in the House of Commons, June 2nd, referred to an article in THE FINANCIAL POST dealing with the loose management in the Post Office Department through the indifference and incompetence of Deputy Postmaster-General Coulter, and said that a good deal of the criticisms which appeared in THE POST were justified. Mr. Blake thinks that Dr. Coulter is probably doing better now, but last year he was not fully appreciating his responsibility towards the employees.

Mr. Blake might have gone further and said that Dr. Coulter has never appreciated his responsibility towards the public of Canada.

PRIVATE CARS AND PUBLIC SERVICE

THERE is a lot of narrow-gauge criticism being directed at the use of private railway cars by members of the Government. Anything which will work on the public prejudice against class privileges—real or alleged—is being seized upon by certain incendiary agitators to foster the conflagration of discontent. Social unrest is being exploited to serve the ends of political expediency or personal jealousy.

Private cars for ministers of the crown, as for railroad officials, are actually offices on wheels. Ministers can thus travel across Canada and continue to discharge their public duties. The national benefits of this arrangement are of such importance that criticism of the expenditure involved is piffling. The trouble is perhaps that for the good of the country there are not enough private cars, or that those available are not used as much as they should be. Members of the Government see too little rather than too much of the country and the people they govern.

INVESTORS AND PUBLIC OWNERSHIP

WHEN the Toronto *Globe* can see an argument in favor of public ownership in the fact that Port Arthur had a deficit in connection with the operation of its public utilities of only $9,118 in 1918, as compared with $87,730 in 1915, is surely an acknowledgment of the weakness of the cause which it espouses. Port Arthur has had a sad experience, but those who have had charge of the city's affairs are to be congratulated upon the fact that they faced the realities of the situation with the result that there is now the improvement indicated.

Other cities which have followed the ostrich policy and have camouflaged their books to cover up losses in the operation of inefficiency administered and poorly financed municipal projects are getting more deeply bogged in debt as time passes. They would be much better to acknowledge their failures and then work out their problems in a business-like way as Port Arthur is doing.

Investors who put their money into municipal bonds and who believe that they are always getting gilt-edge security are entitled to the truth. Sooner or later they will find it out and the credit rating of the municipality will be established accordingly.

EDITORIAL NOTES

THERE is grim humor about the statement of Mayor Church that he would like an investigation into the affairs of the Toronto Railway "by such a firm as the Clarkson Company, who reported on the Hydro."

* * * * *

"HE wanted the truth and recognized the truth when it was told to him," says the *Wall Street Journal*, speaking of the late Senator Spooner. These are qualities which are unfortunately foreign to the majority of those who have recently controlled the affairs of the C. M. A.

* * * * *

THE people may believe in O'Connor as the Toronto *Telegram* says, but it would not be the first time that the erring majority had elevated a false idol. O'Connor won popularity because he condemned the packers. The fact that he never at any time produced any real evidence to support this condemnation does not appear to matter.

* * * * *

THE somewhat spectacular return of Sir Lomer Gouin's Government in Quebec by acclamation is an emphatic public endorsation of the competent and efficient business administration which has been given under his premiership. In the matter of good roads the Gouin policy has set a pace for all Canada, while no other Province has its financial affairs in such good shape.

* * * * *

BECAUSE the municipal authorities at Windsor decided to let the ratepayers have a say in the local municipal railway problem, Sir Adam Beck has characteristically declared that as this has upset his calculations the Hydro Commission will wash its hands of the community's affairs. How much longer will the people stand for this kind of thing from the Hydro bully? Fond and doting parents have been known to tire of their own spoiled child—even though they did the spoiling themselves.

AMERICANS HAVE LOST ALL FAITH IN STATE OPERATION

War-Time Experience in Railroad Public Ownership Has Evidently Effected a Complete Cure

By E. W. BEATTY, K.C.,
Before Nelson (B.C.) Board of Trade.

A great deal of misapprehension seems to exist in some quarters as to just what the railway problem is. The fact that the country has been compelled through the financial failure of some systems to take them over in order to prevent them from falling into utter desuetude is one thing, but that is quite a different problem from the question of a permanent policy of Government owned and Government managed railways. I do not know that the Government could have done anything else than they did do, but I do feel that neither the Government nor the people of this country are yet in a position to determine finally what the future of all these systems shall be.

I think it is unfortunate that fuller discussion of this subject has not obtained in Canada up to now. It is true it occupies certain space in the newspapers, and has been discussed in Parliament, but always with the unsatisfactory result that the advocates of the different methods of administration are considered prejudiced. If a public man speaks we shrug our shoulders and say it is politics; if a railway man speaks, he is said to be prejudiced by his railway association. Not all the men who go to Ottawa are governed absolutely and exclusively by political considerations, and the railway man can still be a railway man and be a good citizen of Canada with an honest desire to see the transportation future of his country assured.

Government ownership in theory has much to recommend it. It has been said by a very able member of the Government that the advisability of it increases as you approach a state of monopoly, and that is probably true, whether Government management of our systems is feasible or even possible. Until it is determined I should conclude it would be well for the Government and the people to withhold their final judgment. Among the advocates of this system are many men who are sincerely and honestly convinced that in the last analysis it will be for the benefit of the people of this country, and that is the only angle from which the question can be viewed.

In Britain and States

It is unfortunate, however, that most of these men have not intimate personal knowledge of the administration of these large enterprises and the wish for success is father to the thought that success will result. We have recently had the benefit of the results of similar experiments in Great Britain and the United States, and while I am quite prepared to admit that the abnormal conditions under which the systems had to be operated during the war makes the lessons to be drawn from this method of administration not entirely conclusive, I am strongly of the view that there is nothing in these results which gives confidence or justifies the hope that we would avoid the disaster they have experienced, and that the difficulties which, at least, contributed to their failure would be absent from the administration of Canadian railways under like auspices.

"You will recall that the American system broke down when put to the test. They broke down physically and financially. Both could, I think, have been avoided, or, at least, minimized, had a little broader view of the needs of the American railways been taken by American tribunals in the last five years prior to the entry of the United States into the war. What was subsequently done, was done in an attempt to meet a highly emergent situation, and with an intent that the cost, whatever it might be, of mistake or failure, should be borne in the interest of the principles for which the Allied Nations were contending in this war. The result is described as a debacle, the deficits have been enormous, and the efficiency and character of the service lessened to an alarming degree. The United States people were, however, fortunate that their experience was crowded into a comparatively short time, and they were enabled to learn the lesson it taught without protracted experiments.

Back to Old Conditions

As a result of this experience and that which they had through the operation of cables, telegraphs and telephones, I think it may be safely said that the last vestige of desire for Government operation of these utilities has departed from the majority of the American people. In fact those actually entrusted by the Government with the administration of the properties have admitted the unwisdom of the continuance of the system.

It may be said that my own views are prejudiced and they are to the extent that they are the result of eighteen years' intimate association with the workings of one railway company, and an appreciation from the inside of what factors contributed to its efficiency and success. It is a long and arduous work to hammer together an efficient organization which must be so widespread in its activities, and so widely separated as to locality as the organization of a trans-continental railway. It has been in existence almost thirty-eight years, and the organization has been built up painfully and slowly. It has now reached an efficiency in all ranks which I should hope it would be easier to maintain, but it could not be developed, nor can it be maintained without the enterprise, resourcefulness, loyalty, initiative and esprit of the officers and men of the company. There is something which gives rise to this spirit which comes from within the organization itself, and I would need be assured not only that independent non-political administration is possible, but that it would provoke this spirit, before I would cast a vote for a permanent policy of Government ownership and operation. When I speak of Government ownership and operation I do so because interference in the latter is the necessary consequence of the establishment of the former. It is not possible in my opinion to divorce the responsibility for operation from those upon whom rests the responsibilities for the results. In theory it may seem reasonable, but in practice I am quite convinced it will be found impossible to persuade those who vote for money for these enterprises to exclude themselves entirely from the administration of the properties.

Political Expediency

In the determination of this question I know of no consideration less important than that of political expediency. It is particularly a question of national economics, and what system will give the best and cheapest service to the people of this country. The crux of the whole thing lies in this, i.e., the ability of the Government to carry on enterprises such as this with the same competency and efficiency as private owners. I am not attempting to persuade you to my views; they are not unalterable, but I have not yet found anyone who could adduce evidence of the success of a Government operated system in former days, or in other countries, where similar conditions prevail, and before we adopt a similar policy which will saddle us with the principles of public ownership and operation of our systems, we should, I think, be very sure of our ground. The question cannot be determined in accordance with the wishes and views of financiers, stockholders, politicians, or any one set of men; it must be determined on the one ground by balancing its advantages with its disadvantages, which is in the best interests of Canada.

WRECKING WORLD'S CHIEF WORKSHOP

Disaster Faces a Finely Adjusted Industrial and Business System

Europe has 120 inhabitants per square mile—the most densely populated of the world's continents. From 1818 to 1918 the population increased from 150,000,000 to 460,000,000. In 1818 Europe's peoples were one-half agricultural and one-half manufacturing. Europe could feed itself. Then, by reason of rapidly increasing efficiency of machine production and improved transportation and communication, Europe became the chief workshop of the world and depended upon the rest of the world to send it raw material and food—"foodstuffs to feed its workers and raw material to feed its machines,"—taking in exchange finished products. Thus, through the hundred years, a great world machine had been created, economically welded together, delicate in its adjustments, working perfectly, and with vast efficiency and speed.

Then came the disaster. In an article in World's Work, "The World As it is: why we must aid Europe," Mr. Lothrop Stoddard says:

> Such was the state of world-economics in 1914—an intricate, nicely adjusted affair, functioning with great efficiency and running at high speed. Then down upon this delicately organized thing smashed the trip-hammer of the Great War. Sabotage! What reddest dream of syndicalist zealot ever pictured worse destruction than that just enacted? And Europe's situation is deplorable as she staggers forth from the long ordeal; her fluid capital dissipated, her fixed capital impaired, her industrial fabric rent and tattered, her finances threatened with bankruptcy, the flower of her productive manhood dead on the battlefield, her populations devitalized and discouraged, her children stunted for the rest of their lives. A sombre picture. Is it any wonder that in such an environment Bolshevism and kindred insanities flourish like noxious fungi?
>
> "The late war has been the most terrible visitation that has ever afflicted mankind. . . It has almost shattered Europe's industrial system. To make necessary repairs and alterations will take considerable time. Meanwhile, the bulk of Europe's population—460,000,000 souls in 1914—remains alive. How is that inconceivably huge mass of humanity going to be kept alive during the transition period of reconstruction? The answer is: only by the help of the entire planet. Unless the relatively undamaged parts of the world aid war-racked Europe, the next few years will witness a frightful catastrophe. Within that period, millions, tens of millions, conceivably more than a hundred millions of human beings might perish. And that is going to be dangerous business, not merely for Europe, but for the whole earth. For, before those millions die, they will fight. Self-preservation is the first law of nature. Even a rabbit will fight for its life. . . Before these doomed millions died, therefore, it is a mathematical certainty that they would put up a fight which would make the late unpleasantness look like a street brawl. And such an elemental conflagration would probably sweep the whole world. The Atlantic Ocean could no more prevent sparks from landing on America than a brook can stop a raging forest fire."

PERSONALS

J. W. McWHINNEY, formerly manager of the Winnipeg branch of the Union Trust Company, has been appointed manager of the Toronto branch of the Huron and Erie Loan and Mortgage Corporation, of London, Ont. Mr. McWhinney was formerly secretary of the Synod of Huron in London, Ont., and went to Toronto as assistant manager of the Union Trust Co., later being transferred to Winnipeg.

GEORGE R. GRAY, manager of the Spanish River Pulp and Paper Company's wood operations, has been appointed a member of the board as the nominee of the Ontario Pulp and Paper Company bondholders in succession to the late Mr. Benjamin Tooke. Mr. Gray has been associated with the Spanish River Company for very many years.

GEORGE W. BLAIKIE, newly elected president of the Toronto Stock Exchange, is head of the firm of G. W. Blaikie & Co., which is only one of a number of houses bearing that name which have been prominent in financial affairs in Toronto and actively concerned in the exchange's affairs. In its early days the firm of Blaikie & Alexander was one of the most prominent in the city, and was instrumental in placing considerable amounts of Scottish money in Canadian securities. Alexander, Fergusson & Blaikie, and later on the present firm of G. W. Blaikie & Co., have all been members of the Exchange.

SIR ALBERT H. STANLEY, former general superintendent of the Detroit City Railway, now a part of the Detroit United Railway, is in Detroit on a visit. He left Detroit in 1903, joined the staff of the Public Service Corporation of New Jersey. Five years later he was appointed general manager of the Underground Electric Railways of London England. During the greater period of the war Sir Albert was president of the Board of Trade of England, and as such was virtually minister of commerce and industry, controlling all transportation, mines and other large public enterprises.

J. M. McWHINNEY has been appointed manager of the branch of the Huron & Erie Mortgage Corporation and the Canada Trust Company which is shortly to be opened at Toronto. Mr. McWhinney commenced his business career as secretary-treasurer of the Synod of Huron, at London, Ontario. From there he came to Toronto as assistant manager of the Union Trust Co., later being transferred ly manager of the Winnipeg branch, and general manager, from which position he resigned a short time ago. He has had a wide experience in financial and trust business in Toronto, and also has a large circle of friends. The Huron & Erie Mortgage Corporation and the Canada Trust Company which is under the same management purchased the Janes Building at 14-16 King Street East, as announced some time ago by THE FINANCIAL POST, and extensive alterations are now being made to the premises, the larger portion of the ground floor of which will be occupied by them on completion.

J. A. MACDONALD, well-known business man of the Maritime Provinces, and president of the Amherst Pianos, Limited, has been chosen by a committee of workmen representing six unions, to act as arbitrator in the big Halifax strike. Mr. McDonald was also the unanimous selection of the Amherst Federation of Labor, to act for them in case the manufacturers consent to arbitrate. Despite the fact that he is a large employer of labor in Nova Scotia, the appointment of Mr. McDonald as representative of labor's interests in Halifax was received with much satisfaction among the workmen. No stronger nor more sympathetic supporter of labor can be found in the Province. In Amherst, Mr. McDonald's firm is the only manufacturing concern whose men are not on strike. Beginning life as a telegraph operator, Mr. McDonald's climb to success has in no measure dampened his ardor, nor hardened his sympathy for the working classes. His judicious handling of previous strikes qualifies him to act for the best interests of the unions he represents.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

STEEL AND PENMANS

Brantford.—I have $2,000 of Steel of Canada and Penman bonds. I paid about the present market price. I know nothing of speculation, but believed I was getting a 6 per cent. proposition with safety of both interest and principal, and that the money would be in get-atable shape. I now want to use it in a real estate transaction. I had planned to borrow on the bonds from the bank. I am advised, however, to sell them, as money is temporarily cheap, and when it is dearer such bonds will be selling for less. In your opinion should I sell them or keep them, and why?

In reply to yours of June 13th we believe that you properly surveyed the investment situation when you invested in Steel Co. of Canada and Penman bonds with the idea of getting an assured 6 per cent. income with a ready market to secure the return of the principal. If at this time you desire to use this money for another purpose we think you would be well advised to sell rather than to borrow from the bank and assume a double liability, particularly as there would be no margin in your favor between the interest received and the interest paid. As to whether you would be well advised to dispose of high class securities at this time we think it would depend upon the nature of the proposition you are considering. Generally speaking we would advise you to beware of speculation unless you are in a position to take the consequences.

As to whether money is at present temporarily cheap and will be dearer in the future we are not prepared to give an answer and doubt whether anyone can do so with assurance. The value of money in the future will, like the value of a great many other things in the shape of goods and services, depend upon business conditions, and what those conditions will be few dare venture a definite opinion.

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MARITIME TELEGRAPH

Kingsbury.—Kindly let me have your opinion on the soundness; also would you advise investing in Maritime Telegraph and Telephone Co., Limited, 7 per cent. cumulative preferred stock?

This stock is offered at $10.50 a share, which will give a yield of 6 2-3 per cent. It is important to note that at the present time an application of this company is before the Board of Public Utilities of the Province of Nova Scotia, asking for an order to increase the rates by some $200,000 a year in the aggregate, in order to meet demand for higher wages and other increases in cost operations. Just at present the company is barely earning 5% on its capital, this position being much the same as the Bell Telephone Company, which recently succeeded in securing an increase of 10% in its rates from the Dominion Railway Board. Little opposition has developed to this increase, although in some cases it means from 25 to 50% higher rates, and as the board has gone on record as declaring that the company is entitled to earn a sum equal to at least 8% of the fair value of its property, assets and understanding—to quote from a recent circular—it is probable that the increase will be granted. This should tide the company over the next year or two and enable it to bring its net earnings up to normal.

According to the report for the year ending December 31st, 1918, the total receipts were $953,847, but expenses were $828,379, leaving net revenue of $125,468. The surplus for the year was only $7,695, as compared with receipts of $813,483 for 1917 and net revenue of $129,504. The surplus for the year was only $7,695, as compared with $52,600 in 1917. The report of the president shows that during the past year the increase in subscribers was 2,463, compared with 1,552 of the previous year, and that the increase would have been almost double what it was had the company been able to take care of all the business offering. It is reasonable to assume that if the increase is granted the company will be in a position to take care of a large increased business for the year 1919, such as is coming to the Bell Telephone Company, which by the way holds some 10% stock in this company as a result of connections made many years ago.

Coming before the preferred stock issue there is an issue of bonds of $1,500,000, and at the end if 1918 there was an issue of 6% preferred stock amounting to $1,000,000, and $291,110 of 7% preferred stock, such as the present issue, the common stock coming after this, of course, amounting to $850,000. With a fairly sure guarantee of rates sufficient to cover all its requirements of bond interest and dividends under the control of the Public Utilities Commission, we believe that the investment in the preferred stock of this company is a safe one and that as interest rates decline in the next few years that 7% stock, such as this, would gradually advance in price. Against the bond and stock there is a valuation in assets of $5,108,618, as compared with $4,591,743 at the end of 1917.

DAVIDSON BONDS

T. B., Toronto.—I have bought a $100 bond at 6 per cent. of the Thomas Davidson Mfg. Co., and would like to know how they stand, and also where their place is and what they manufacture.

There is at present outstanding of this bond issue $354,900, out of a total authorized issue of $600,000. There has been retired by the company since the issue was made in 1912 $71,100 and there is a balance of $174,000 held as security by one of the banks for a loan to the company. These bonds mature in 1942, and bear 6% interest. The present market price runs between 94 and 96. From inquiries we have made we learn that the company is doing an increasing volume of business, and that their profits are increasing as well. At the last report made public in 1912, the net earnings were given as $158,597, but since that time they have advanced materially, and a substantial balance was carried forward at the end of 1918. The company is making arrangements to fill large export as well as domestic orders and has been forced to make extensions for this purpose.

We feel that the security behind these bonds is ample, and you should have no doubt about the bonds being met regularly and also retired at the specified time. The company manufactures lines of enamelware chiefly, and has warehouses at Toronto and Montreal, with head office and factory in Montreal. The Royal Securities Corporation are acting as trustees in connection with the bonds.

BARCELONA TRACTION

J. M., Masnon, Spain.—Can you give me any information regarding Barcelona Traction, Light nad Power Company, common stock, the present position of the company and the future outlook Is it a good buy at present price of $10?

The affairs of Barcelona Traction, Light, Heat and Power Co., Ltd., continue in a very unsettled state. Conditions recently have been further upset by labor troubles and although we are informed that the situation has been pretty well cleared up there are no details available as to the effect which the higher costs will have upon operating expenses. Out of the general conditions which prevail it must be expected that operating charges will increase. The advantages of increased income are therefore likely to be lost to a large extent if not altogether wiped out as has been the case with most of the public utilities in this country. We are informed that business is developing in a satisfactory way and that construction work is proceeding as well as could be expected under the circumstances. As to buying Barcelona Traction common stock at $10 this should not be considered otherwise than as a highly speculative proposition. The position of the company is such that it is looking a long way ahead to see daylight for the common shareholders. If you are in a position to put some money into this stock and set it aside for an indefinite period we think you will come out on the right side with some chance of making a very substantial profit, but there would be nothing at all certain about the proposition.

Considering the whole matter we think you would probably be in a better position to learn of the external conditions affecting the position of the company, these conditions being, we believe, the important factor in regard to the company's future. It is largely a question of whether the company will be permitted to charge sufficient for its services to allow a reasonable margin for profits over the cost of production. Just at the moment it seems that public opinion is the most serious menace that public utility corporations have to contend with.

STANDARD RELIANCE

Westport.—I would be obliged if you would inform me in regard to the Standard Reliance Mortgage Corporation. Did I not read in a recent number of the POST that they had to take a sum of money out of the rest to pay the dividend, or was it the interest on the debentures that it was taken for. Are they likely to make enough on the Dovercourt Land Company to be able to make up this loss and come out ahead? Are these debentures a legal investment for estate funds?

We understand that the affairs of the Standard Reliance Mortgage Corporation have been unsettled following the death of Mr. Waddington. The company, as you are probably aware, is heavily involved in connection with the Dovercourt Land Co. This property has been a heavy burden from the standpoint of increasing municipal taxation and higher assessment, efforts to have the basis of the latter reduced having been unsuccessful. Recently a sale of some of the lots was held, but the outcome was not regarded as satisfactory, some of the prices secured under the hammer being considerably below the assessed value upon which taxes have been paid.

At the time of the appearance of the last annual statement the FINANCIAL POST pointed out that in maintaining the dividend the directors had drawn upon surplus funds. In other words the net earnings last year were not sufficient to meet the distribution made to the shareholders. The FINANCIAL POST understands that the matter of the future dividend policy is being considered, and believes that the directors would be well advised to consider a discontinuance of the distribution or at least a reduction so that the expenditures may be kept within the limits of revenue at least. Such a course seems particularly advisable in view of the fact that in addition to the high taxes being paid on local property the assessments of the Dominion and Provincial Governments are also a heavy burden.

The company is not one of those included by the Provincial Government as being recommended for the investment of trust funds.

This answer was prepared prior to the announcement of the appointment of a receiver on Wednesday.

THE GOLDEN RULE APPLIED TO LABOR

The Surplus Profits Should be Divided, Says Otto H. Kahn

By OTTO H. KAHN.

The principle on which we should deal with the labor question is very simple. It is the principle of the golden rule. I think the formula should be that, first of all, labor is entitled to a living wage. What is left over belongs to both capital and labor, in such proportion as fairness and equity and reason shall determine in all cases.

The application of that formula is, of course, complex and difficult, because there are so many different kinds of capital. Not unfrequently the laborer and capitalist overlap and merge into one. It is impossible to measure by the same yardstick everywhere, but the principle of fairness can be stated, the desire can be stated to do everything possible to bring about good feeling and good understanding between labor and capital, and willingly and freely to co-operate so that labor shall receive its fair share in the fruits of industry, not only by way of a wage return, but of a larger return in comfort, in joy, in the happiness of life.

It seems to me that, in the main, right-thinking men of capital and of labor would concur in the following points:

The workman is neither a machine nor a commodity. He is a partner with capital. He must be given a full voice in determining the conditions under which he works either through organization in each factory or other unit, or through labor unions, or through both.

2. The worker's living conditions must be made dignified and attractive to himself and his family. Nothing is of greater importance: To provide proper homes for the workers is one of the most urgent and elementary duties of the employer, or, if he has not the necessary means, then of the state.

3. The worker must be relieved of the dread of sickness, unemployment and old age. The community must find ways and means of seeing to it, by public works or otherwise, that any man honestly desirous to do an honest day's work shall have an opportunity to earn a living. Those unable to work must be honorably protected.

4. The worker must receive a wage which not only permits him to keep body and soul together, but to lay something by for a rainy day to take care of his wife and children, and to have his due share of the comforts, joys and recreations of life.

5. Labor, on the other hand, must realize that high wages can only be maintained if high production is maintained. The restriction of production is a sinister and harmful fallacy, most of all in its effect on labor. The primary cause of poverty is under-production. High wages accompanied by proportionately high cost of the essentials of living don't do the worker any good.

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

COAST VIEW OF PUBLIC OWNERSHIP

B. C. Financial Times

During the period of the war we have had an ever-increasing encroachment upon business operation, regulation and management by the Government. While this was readily accepted and the business interests of the country earnestly co-operated with the Government in this war work, business men generally have arrived at the conclusion that Government operation and regulation is extraordinarily inefficient and expensive. We think that the public ownership idea has received a setback during the past three years, from which it will not soon recover, except in so far as great business interests seek to subserve their own personal ends to the detriment of the public interest. We are all now seeking to get away from Government regulation and interference and control as much as possible, so that the old business laws may receive their full force and effect for the economic wellbeing of the community at as early a date as possible. What the public of Canada want in a transportation system is service for the transportation of commodities as expeditiously and carefully as possible. They also want efficient management in order that the service rendered may be economical so that at some future date when a normal condition is again operating, the freight rate may admit of a decrease and still permit of a reasonable profit to the transportation company.

The fact that the Canadian National Railways has come under Government ownership and operation is not an argument to the contrary, but is due ot the selection of this method as the only feasible way out. The Government took over the Canadian Northern Railway with undoubted public approval for the reason that the people of Canada did not feel that they should be improperly exploited for private benefit with a property exclusively constructed out of public funds and the Government was forced to adopt this method because no private interests would lease such a large undertaking under present conditions and on terms which might easily work out either disadvantageous to the Government or to the lessors. We think that the movement toward public ownership will remain in abeyance for a long time. It is really up to the management of public utilities such as the Canadian Pacific Railway to see that, by rendering service and practising efficiency, this movement shall not again gain force.

REPUDIATING WAR DEBTS

New York Sun

Mr. Frank A. Vanderlip made a remarkable statement before the Senate Foreign Relations Committee day before yesterday:

"There is a distinct feeling in England and France that the United States should cancel the loans made by these Governments, on the theory, in part, that we came into the war very late and ought to take a very full share of the financial burdens."

We are not inclined to believe that England and France have become beggars or that these nations are willing to be objects of charity, even when the alms would run close to seven billion dollars.

Is it conceivable that a rich Englishman of honor whose income is being heavily taxed to pay the debt of his nation would wish to have that tax transferred directly to some working woman in America who went without a new dress so that she might lend to the United States the money which this Government lent to England? We doubt it; yet that is the "distinct feeling" which Mr. Vanderlip reports that he found.

Have we heard of any Englishmen or any Frenchmen—patriotic as they are—burning the bonds that they bought from their own Governments? Not at all; but to cancel the debt which Europe owes America would be no worse than compelling the fifteen million holders of Liberty bonds to burn a third of their holdings. The ten billions which Europe owes us is still owed to the pockets whence it came. If Europe could not pay it, then the American people would have to pay it themselves.

From what source of drivel does Europe get the notion that America is so rich and so imbecile that she may be regarded as the prize sucker of the world?

A HINT TO CANADIAN PAPER MILLS

Canada (London)

During the war we had occasion to comment more than once on the gross profiteering in paper on the part of British manufacturers, which was largely assisted by the extraordinary inept methods of the Paper Commission. Since the armistice, owing to the efforts of the Canadian Trade Mission under Mr. Lloyd Harris, and pressure brought by members of the House of Commons, restrictions on imports of paper from Canada have been removed. Almost immediately this was done, the paper interests got together, and, with the assistance of the Board of Trade, have successfully shackled the consumer, who is now bound and delivered into their hands.

As the British mills greatly fear competition from Canada, it is said that they are endeavoring to avert this by bribing the Canadian mills with an offer of high prices for pulp if they will refrain from exporting paper. It will be very shortsighted policy indeed if the Canadian paper manufacturers accept this bribe. There is an enormous market open for them in England and on the Continent for all classes of paper. They can get their makes and their brands widely known and build up an important trade, but if they confine themselves to the shipment of pulp they will acquire no reputation or good will for their products among consumers in Europe. Canadian manufacturers should bestir themselves to sell newsprint and book and coated papers as well as kraft and many other qualities of paper for which there is a large demand, on the British market without delay. If this is done at once, later on, when the Scandinavian and other European mills are competing in England, the Canadian product will be already firmly established, and with the advantage of the preferential duty will easily hold its market.

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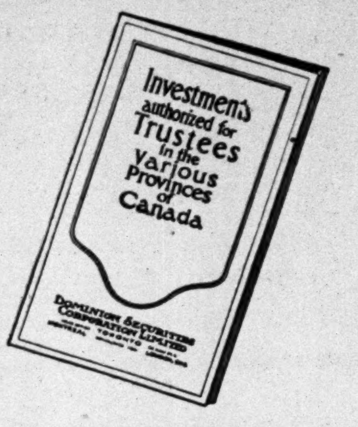
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NEWS OF THE BOND MARKET

ACTIVE BUYING FEATURE OF THE BOND MARKET

Ontario Cities' Bonds in Great Request at High Prices

BUSINESS SLACKENS

Protracted Hot Weather Has a Certain Slowing-Down Effect on the General Bond Business

There is no doubt that the hot weather is having a certain effect on the bond business. Investors are not in the humor to sit down and talk business, and salesmen are not just inclined to put the same ginger into their canvass as they did a month back. At the same time there continues to be a pretty fair volume of sales, and dealers are not at all pessimistic in their attitude towards the market.

Victory bonds have been a little easier this week and there has not been the large business that was done the previous two weeks. The immediate incentive of the budget speech is wearing off and there is also the inevitable weakening following a sharp upward movement. The situation is a natural one, and no concern need be felt over the slight reaction which has occurred. The practical certainty that the next Dominion loan will be taxable is bound to keep up a strong market for the tax-free Victories.

The Coming Loan

With regard to the next loan, a good deal of gossip is going the rounds. When it is recalled that organization was pretty well advanced a year ago at this time for the 1918 Victory Loan campaign, it is not surprising that attention should now be directed towards this year's loan. In fact, the FINANCIAL POST understands that certain preliminaries have been discussed between the Finance Minister and some of his advisers, and that there are probabilities of a general meeting of bond dealers being held before the end of the month or early in July to get the form of organization settled. It may be taken for granted that the patriotic appeal, backed by a lot of volunteer effort, will be lacking to a large degree this year, and that the Government will have to depend on business methods to secure its objective.

Several Issues Coming

For the immediate future there are quite a number of issues in prospect and the list of tenders wanted on the opposite page is fairly lengthy. The buying end of the bond business is still decidedly active. In addition to the provincial and municipal issues in sight, there are several industrials on the way, and, judging by the manner in which the market has been absorbing these of late, there should be a continued demand for them. Money rates are easy and there is nothing to hamper fairly large commitments in this direction.

Three Good Sales

On Friday evening of last week, three Ontario cities considered offers for bond issues, Kingston, St. Catharines and Guelph. Any doubts that might be felt, either as regards the strength of the market or the desirability of selling bonds by public tender, must have been dissipated by the result. All three cities sold their issues at excellent prices, and, judging by the number of offers received, there was very keen competition for the offerings.

The Kingston issue, consisting of $35,000 5½ per cent. bonds, due in 1939, was sold to Wood, Gundy & Co., at 103.39, or on a 5.23 per cent. basis. Twenty-five bond houses submitted offers, ranging as follows:

Wood, Gundy & Co.	103.39
Bongard, Ryerson & Co.	103.153
J. F. Stewart & Co.	103.074
Canada Bond Corporation	103.07
United Financial Corporation	103.04
National City Co.	102.72
Housser, Wood & Co.	102.66
Turner, Spragge & Co.	102.57
A. E. Ames & Co.	102.56
Dominion Securities Corp.	102.532
R. M. Bird & Co.	102.53
G. A. Stimson & Co.	102.511
Bank of Nova Scotia	102.50
McNeill, Graham & Co.	102.47
R. C. Matthews & Co.	102.38
Aemilius Jarvis & Co.	102.273
Royal Securities Corporation	102.226
W. L. McKinnon & Co.	102.103
Home Bank	102.048
C. H. Burgess & Co.	101.92
Bank of Commerce	101.802
Morrow and Jellet	101.70
Sterling Bank	101.54
Brent, Noxon & Co.	101.24
Hanson Bros.	100.63

For the St. Catharines issue of $100,000 5½ per cent. serial debentures, maturing from one to twenty years, twenty-four offers were received. The award was made to the Bankers' Bond Co., at 101.637. Following were the offers received:

Bankers' Bond Co.	101.637
Tomenson, Forwood & Co.	101.370
Royal Securities Corp.	101.365
National City Co.	101.280
Dominion Securities Corp.	101.190
Aemilius Jarvis & Co.	101.143
Wood, Gundy & Co.	101.110
Home Bank	101.100
Housser, Wood & Co.	101.043
Sterling Bank	101.330
G. A. Stimson & Co.	101.022
Dyment, Anderson & Co.	101.010
W. L. McKinnon & Co.	100.905
Canada Bond Corp.	100.880
A. E. Ames & Co.	100.860
Turner, Spragge & Co.	100.750
Ralph Bird & Co.	100.693
United Financial Corp.	100.650
Brent, Noxon & Co.	100.533
C. H. Burgess & Co.	100.530
R. C. Matthews & Co.	100.410
MacNeill, Graham & Co.	102.47
Morrow, Jellet	100.110
Municipal Debenture Corp.	98.500

The Guelph Sale

The official list of tenders has been issued by the city of Guelph, which made an excellent sale of two blocks of bonds, but it is known that 24 bond houses competed. The successful tenderers were the Canada Bond Corporation, which offered 102.944 for $68,0000 5½ per cent., 30-year school debentures and 102.788 for $50,000 5½ per cent., 15-year industrial loan debentures. It is four years since Guelph sold any bonds, and it is not likely that any more will be sold this year. A partial list of tenders follows:

Canada Bond Corporation	102.86
Wood, Gundy & Co.	102.22
Dyment, Anderson & Co.	102.20
National City Co.	102.19
Tomenson, Forwood & Co.	102.18
Aemilius Jarvis & Co.	102.14
Turner, Spragge & Co.	102.13
United Financial Corporation	102.10
MacNeill, Graham & Co.	102.09
J. F. Stewart & Co. (straight term)	102.09
R. M. Bird & Co.	102.06
A. E. Ames & Co.	102.05
G. A. Stimson & Co.	101.88
W. L. McKinnon & Co.	101.75
Brent, Noxon & Co.	100.07

Smaller Sales

The rural municipality of Miniota, Man., has awarded its issue of $30,000 5½ per cent., 30-instalment debentures, guaranteed by the province. to A. E. Ames & Co., at 100.55, a basis of about 5.30 per cent.

A block of $126,000 6 per cent., 15-year bonds of the city of Lethbridge, has been sold privately to Aemilius Jarvis & Co., at 99.50.

An issue of $9,000 of the town of Oak Lake, Man., 6 per cent., 20-year instalment bonds, has been purchased by W. L. McKinnon & Co., Toronto and sold at a price to yield 6½ per cent.

An issue of $16,000 6 per-cent., 20-instalment debentures of the village of L'Orignal was awarded to R. C Matthews & Co., at 103,400, which is about a 5.60 per cent. basis. The tenders submitted were:

R. C. Matthews & Co.	103.400
R. M. Bird & Co.	102.760
W. L. McKinnon & Co.	102.667
A. E. Ames & Co.	102.610
G. A. Stimson & Co.	102.100
C. H. Burgess & Co.	101.410
Brent, Noxon & Co.	101.323

The township of Lochiel, which recently asked for offers for an issue of $11,975 6 per cent., 10-instalment bonds, has disposed of them to the Provincial Treasurer at 1.05.

C. H. Burgess & Co. have purchased $51,000 6 per cent., 20-instalment debentures of the tow nof New Toronto issued for waterworks purposes.

A USEFUL COMPILATION

Dominion Securities Corporation Publishes Valuable Booklet

As the country grows older and more and more estates are created, the question of trustee investments becomes increasingly important. Further, changes in the laws of various provinces are made from time to time which render it necessary for trustees to keep themselves posted on law amendments. A useful service has been rendered by the Dominion Securities Corporation in bringing down to date their booklet on trustee investments. At intervals covering a period of- fifteen years the Corporation has published such a work. Recently several changes have been made in the laws. This fact and the constant demand for an authoritative treatise on the subject has led the Corporation again to request Malone, Malone & Long to prepare revised material. The booklet has been tastefully produced and copies are available for free distribution.

VICTORY BONDS GO

Strikers in Winnipeg Selling Out Their Holdings

WINNIPEG.—One of the results of the protracted strike here has been a heavy sale of Victory Bonds on the part of strikers and others in need of ready cash. In many cases these are being sold at sacrifice prices. One financial house, which controls considerable Russian savings, state that more Victory Bonds have been offered for sale in the past week than at any time since the bonds were issued.

Reports are current that the foreigners are in some instances being victimized as far as their bonds are concerned by certain money brokers. It is claimed that these sharks make the people believe they are doing them a favor by accepting their bonds at all, and taking them only at a great reduction.

FRENCH BONDS MAY BE SENT OVER TO CANADA

Contractors Holding Those Seeking Outlet in This Country

NO EUROPEAN MONEY

Until Exchange Rights Itself, Declares Rene T. Leclerc After a Visit Overseas

That the reconstruction in France may result in the placing of a number of issues of French bonds of cities, towns and other municipalities on the Canadian market, according to Rene T. Leclerc, the Montreal bond dealer, who has just returned from a trip to France and to England. Speaking to THE FINANCIAL POST he stated that he had been informed that a plan was under way by which towns and cities in France would issue bonds as payment for contracts for rebuilding the portions that had been destroyed by the Germans during the war, and that these bonds would be offered in Canada by the contractors, who accepted them in payment for their work. However, as these are in francs they would naturally not be saleable in Canada, but would be accepted as collateral, and Canadian bonds would be issued against them and be placed on sale in Canada.

Little Money Coming

So far as any large amount of money coming to Canada is concerned in the next few years, Mr. Leclerc does not believe this possible, whatever a few private individuals of large means may decide to do. There is still a strict account being kept of money being taken out of the country to such an extent that no one is allowed to carry out more than 1,000 francs of French money. If a departing visitor is discovered to have more, he is directed to an express office, where it is changed into English or Canadian or American money, as the case may be.

Exchange, moreover, is so high that a loss of 25 to 30 per cent. would be the result.

"It has been said that rates of money, and the yields of all securities offered from now on in France and England will be higher than before, and that might interfere with our being able to secure money at lower rates than we can get it for in Canada, but there will always be cheaper money in Europe than in Canada."

While in London, Mr. Leclerc endeavored to secure a number of Canadian issues, but found that comparatively few were for sale. He learned that there was a big demand from Canada for these bonds, partly on account of the favorable exchange conditions for those in Canada. Here again he does not believe it will be possible to secure much British money for some time to come for investment in Canada. A leading bond house there made a remark that sounded rather strange to him, he said, and that was that "the United States had become the natural market for Canadian securities, and our best ones would be offered there, while the London market would receive second choice only."

Refund on Luxury Tax

He was rather struck with the method of taxing luxuries in France. The taxes are paid when the goods are bought, but the system is so complete in its fairness that when visitors to France are returning home they are able to secure a refund from the Customs officials at port of embarkation, covering the amount they had previously paid out as a luxury tax. Both in England and in France there is an absence of worry that surprised him. Among a number of financial houses it had become the custom to close the office for a couple of hours for lunch, owing to the scarcity of help. Financial men did not remain the whole day in their offices, snatching a bite of lunch in between clients, as was often the case in Canada.

ATLANTIC CITY OFFICE

The National City Co. Opens on the Famous Board Walk

The National City Co., of New York, which now operates branch offices in Montreal and Toronto, has opened a correspondent office on the board walk at Atlantic City. It will be open the year round and, through it, visitors to this popular resort will be able to keep informed on the trend of the market and to transact such business as is necessary.

French Minister of Finance has submitted a bill to Chamber of Deputies providing for government monopoly of gasoline importation which would yield annual revenue of $7,000,000.

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EDMONTON - ALBERTA

FIELD OF MUNICIPAL FINANCE

CALGARY TAKEN TO TASK BY THE UTILITIES BOARD

Warning Issued Against Continuance of Annual Deficits

INCREASE INCOME

Only Way to Keep Finances Sound is to Make Provision for Adequate Revenue

CALGARY.—A rather severe criticsim of the city's financing has been made by the Public Utilities Board of Alberta, whose sanction is necessary for the flotation of all new bond issues. In a letter to the city council explaining its position, the Board directs attention to the repeated deficits which have occurred and warns the city administration that some steps must be taken to avoid such shortages in the future. It is pointed out that the provision of a sum of $60,000 in this year's estimates to cover shortage in tax collections is inadequate and that the deficit will greatly exceed any such sum. This will simply mean carrying a further deficit at the end of the year, and, in the view of the Board, it is a question how long such a policy can be continued before the city finds itself in financial embarrassment.

Sinking Fund Short

"It will be remembered," writes the Board, "that the reason advanced for the various methods of temporary financing adopted by the city during the past few years has been the city's inability to collect its taxes in full, or, indeed, to collect anything like its full levy, owing to the unusual conditions prevailing during that period. This has been the excuse for the city's neglect to meet the requirements as to sinking fund payments. According to the annual statement for 1918 the present value of the sinking fund should be $4,385,406.23, while there is actually in that fund only $2,362,373.47, leaving a deficit of over $2,000,000.

"Of the taxes in arrears it is understood that some five thousand dollars or so has been realized by various methods of tax certificates, tax sales and so forth. The proposed loan of $1,500,000 is the first charge on the total arrears. As these arrears also have been always supposed to be the security for the amount of the shortage in the sinking fund, it will be seen that making a reasonable allowance for losses occuring in the collecting of these arrears, and for possible compromise, the tax arrears are thus practically exhausted. In other words, the city has already financed or is now financing up to the limit of its arrears. The result is that the city must meet its current expenditure out of current revenue. The board has not been supplied with any detailed statements such as it would usually require in applications of this nature, and consequently cannot go into the figures in detail, but it seems clear that having exhausted any other sources that may apparently have been relied upon to meet its current deficits, the city must now face the necessity of paying as it goes, for current expenditures. This position is so apparent that the board is forced both from the duty it owes to the city as well as to the purchasers of said security to insist that this course be adopted. The board has been assured by Mr. Ford that the various utilities have been placed upon a self-sustaining basis. It may reasonably be expected, therefore, that the deficits in the operation of these utilities will not re-occur and only remains, therefore, for the city to exercise care in the matter of its current expenditure, or to provide that the annual tax levy be sufficient to meet its expenditure."

CLAIMS PRIVATE SALES NUMEROUS

Bond Buyer of New York Says There Is Much Private Buying in the United States

With the bond market in its present strong position and bond houses bidding lavishly for new issues, it is not surprising that the number of sales by private negotiation is comparatively small. There are still quite a number of transactions of this sort but undoubtedly bond dealers are finding it increasingly difficult to persuade municipal officers to put through private sales. In the United States, however, it would appear that the private flotation is quite prevalent. At least that is the impression gathered from an editorial appearing in the Bond Buyer, of New York. This paper says:

"For some reason that is not altogether apparent the tendency among municipalities to sell their bonds at private sale seems to have been more pronounced in recent months than before the war upset all financial programmes. From all over the country come reports of sales arranged with little or no publicity. It is not only the small, obscure communities that are shunning publicity. Our reports indicate that some of the largest cities, located within a few miles of important financial centres, are deliberately disposing of huge issues of bonds as a result of private negotiation when they must realize that upon the slightest hint a dozen competing bond men will be 'on the job.'

"In ordinary times, the chances for the practice of unethical buying methods in the municipal field are many but now, with States, counties, cities and towns loaded down with authorized bond issues, the unscrupulous buyer is in a most fortunate position and he is apparently making the most of the situation.

"A week or so ago we counted up a total of $165,000,000 new municipal bonds that had been sold within a period of three months. A bond man, commenting on this, expresses the opinion that probably $50,000,000 more was raised during this period by bond sales that were arranged privately and had not been included in our records. This is a rather liberal estimate of the sales arranged 'under cover,' but there is no doubt that in States like Texas and Arkansas, where millions of dollars' worth of road bonds have been authorized and may be sold without advertising, many sales are being arranged privately."

IN NOVA SCOTIA

Activity Commences in the Placing of Municipal Bonds

By Special Representative

HALIFAX—Municipal and town debentures authorized at the recent session of the Legislature are appearing grom time to time. The first of these to be taken up was a 5½ per cent. loan by the Municipal Council of Halifax County. J. C. Mackintosh & Co. took it at a fraction over 100 and quickly sold it to the investing public at 102.31. Most of the seven tenderers were within one point of each other.

Kentville is putting out an issue of $50,000 thirty year 5½ per cent. bonds. Truro calls for $25,000 at 5 per cent. interest.

Province of Nova Scotia wants $1,200,000 for retirement of maturing bonds for highway construction and for roadmaking machinery.

These are but the first of many issues that will soon appear. The demand for them is satisfactory and there is no doubt that all will find a comparatively ready market.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

June 23, Nova Scotia.—$1,300,000 5½ per cent. bonds of the Province of Nova Scotia; alternative bids on 10, 15 and 20-year maturities invited.

June 21, Grimsby North Township.—$5,000, 6 per cent., 10-installment debentures of the township of Grimsby North

July 3, Montreal.—$624,000, 4½ per cent. debentures of the city of Montreal, due 1954.

June 24, Pointe aux Trembles, P. Q.—$90,000, 5½ per cent. bonds, dated Sept. 1, 1918, and due Sept. 1, 1938; $75,000, 5½ per cent. bonds, dated Sept. 1, 1918, and due Sept. 1, 1928. Alternative bids on the first block for a five-year bond, due Sept. 1, 1923, are invited.—J.-C.-V. Roy, Secretary-Treasurer.

June 30, Beauharnois, P. Q.—57,500 5½ per cent. debentures, dated March 1, 1919 (maturity not given).—F. X. Leduc, Secretary-Treasurer.

July 2, Camrose, Alta.—$17,000 6 per cent. 20-instalment and $8,000 6 per cent. 15-instalment debentures of the town of Camrose, Alta.

July 2, Regina Public Schools.—$139,000, 5½ per cent., 30-year public school debentures of the city of Regina.—J. H. Cunningham, Secretary-Treasurer. (See announcement on page 7.)

July 7, Smith's Falls.—$11,514, 5½ per cent., 20-instalment waterworks debentures of the town of Smith's Falls. J. A. Lewis, Town Clerk. (See announcement on page 7.)

July 2, Alberta Schools.—$19,850 in 10 blocks of school district bonds bearing interest at 7 per cent. and maturing in 5, 10 and 15 years.—J. T. Ross, Deputy Minister of Education, Edmonton.

July 7, East Whitby Township.—$16,000, 5½ per cent., 25-instalment, and $45,000, 5½ per cent., 30-instalment debentures for school purposes.—William Lewis, Clerk, Columbus, Ont.

June 25, Embro.—$7,500, 6 per cent., 20-year hydro debentures of the village of Embro.—E. J. Cody, Treasurer, Embro, Ont.

July 2, Sherbrooke, P. Q.—$142,500 5 per cent. debentures, dated June 1, 1919, and due June 1, 1939. E. C. Gatien, Secretary-Treasurer.

BY-LAWS PASSED OR DEFEATED

Walkerton.—$1,600 for purchase of chemical and hose truck, passed by council June 9; registered June 11.

Kingston.—$20,000 for purchase of electric pump; $77,000 for gas purifiers and other apparatus; $7,000 for street lighting; passed by council June 9.

BY-LAWS TO BE VOTED ON

July 2, St. Vital R. M., Man.—$100,000 loan under the provisions of the Manitoba housing act; money will be borrowed from the provincial government and debentures issued therefor.

DEBENTURE NOTES

Woodworth, R. M., Man.—Tenders were received yesterday for an issue of $50,000 5½ per cent.. 30-year debentures, guaranteed by the provincial government.

Niagara Falls, Ont.—A by-law to raise $50,000 for new hospital, as well as money for the purchase of an incinerator, will be submitted to the ratepayers shortly.

Watford, Ont.—Council has decided to submit a by-law to the ratepayers on June 2 providing for the installation of a waterworks system.

Rosetown, Alta.—Council at its meeting on June 2 considered offers for three debenture issues: $10,000 for drilling well and building reservoir; $850 for road grades, and $1,150 for fire equipment—but refused to sell. The highest offer was 99, but council declined to accept anything below par.

Trail, B. C.—Within the next month ratepayers will vote on money by-laws for civic improvements for approximately $32,000. There will also be an issue of local improvement cement sidewalk debentures for sale shortly for approximately $9,000.

St. Boniface, Man.—Notice is being given by Joseph C. Dussault, treasurer of St. Boniface, Man., that treasury notes of the city Nos. 1 to 100, under by-law 1128 and Nos. 1 to 100 under by-law 1129, due July 2, 1920, will be redeemed at 99.80 if presented for payment at Toronto, Montreal, Winnipeg or St. Boniface on or after July 1, 1919.

BOND SALES

$7,000 Abitibi, debs. at 100 to 99½; $4,000 Asbestos at 78; $2,000 Bell Telephone at 96; $1,000 Can. Bread at 94; $500 Cedar Rapids at 89; $1,000 Cons. Rubber at 96; $3,000 Can. Locomotive at 95 to 94⅞; $3,000 Dom. Coal at 96¼ to 96; $2,000 Dom. Textile "B" at 100; $2,000 "C" at 100; $1,500 Dom. Cotton at 100 to 99¾; $500 Mexican L. & Pr. at 40; $5,900 Montreal Trams. debs. at 74 to 73¾; $10,700 Montreal (1923) at 102 to 101½; $7,000 N.S. Steel at 94½; $8,500 Penmans at 93½ to 93; $1,000 Quebec Rly. at 67; $4.500 Steel of Can. at 100 to 99⅝; $3,000 Sher.-Williams at 99; $500 Sao Paulo at 80; $2,000 Span. River at 99; $2,500 Wayagamack at 87¾; $453,800 Victory Loan (1922) at 101⅞ to 101⅜; $596,400 (1923) at 102 to 101½; $79,400 (1927) at 104¾ to 103⅞; $564,850 (1933) at 106¼ to 105½; $168,000 (1937), at 107¾ to 105; $32,300 War Loan (1925) at 100½ to 99; $35,900 (1931) at 100⅞ to 100; $46,100 (1937) at 102 to 100⅜.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from May 17th to May 31st:

Rural telephone companies: LaFleche, $350; East Side, $9,200; Bonnie View, $4,300; Happyland, $3,700; South Quill Lake, $5,300; Victoria Park, $6,400; Pilber, $36,500; South West, $4.550; Wolverine, $14,500; Wartime, $8,900; Fartown, $18,400; Garden, $4,900; Forgan, $8,200; Shamrock, $13,300; Longlake, $10,400; Clyde, $15,400; Ruthilda, $18,800; Killaly, $17,700; Balcarres Hill, Head, $5,820; Eagle Creek, $1,700; Bothwell, $17,600; Bladworth, $13,550; South Driver, $5,000; Smiley S. E., $4,700; Brampton, $1,700.

Cities: Moose Jaw, $22,200 for cement sidewalks; $16,000 for decking of overhead bridge; $33,000 for water and sewer extension; $13,000 for public comfort station.

School Districts: Hubbard, $6,000; Mortlach, $10,500; Lochaber, $2,250; Hillmond, $2,200; Seward Hill, $3,300; Spruce Grove, $2,500; Elmhurst, $600; Aysgarth, $1,500; Silver Cliff, $700; Scotstown, $3,565; Canadian, $2,900; Rosenrier, $2,500; Ruddell, $2,000; Goodwater, $2,500; Brada, $3,000; Bethune, $10,000; Bulyea, $10,000; Colonsay, $2,000. To be included in next sale held by the Local Government Board.

The following is a list of debentures reported sold from May 17th to 31st:

Rural Telephones: Dafoe Copeland, $8,600 to Nay & James; Esterhazy, $31,255 to Harris, Read & Co.; Strongfield, $6,600 to W. L. McKinnon & Co.; Blaine Lake, $55,500 to W. L. McKinnon & Co.; East Side, $9,200 to Harris, Read & Co.; Luseland West, $1,050 to W. L. McKinnon & Co.; White Shore, $4,600 to Nay & James; Annaheim, $11,000 to Harris, Read & Co.; Annaheim, $3,300 sold locally.

School Districts: Elarton, $2,800 to Waterman-Waterbury Mfg. Co., Regina; Minerva, $750 to Dominion Loan & Sec., Winnipeg; Maple Valley, $3,000 to Dominion Loan & Sec., Winnipeg; Springdale, $1,200 to Dominion Loan & Sec., Winnipeg; Silver Hill, $10,000 to Harris, Read & Co.. Regina; Walsh Valley, $3,500 to W. L. McKinnon & Co., Regina; St. Brieux, $6,500 to Waterman-Waterbury Mfg. Co., Regina; Brook Hill, $1,500 to Dominion Loan & Security Co., Winnipeg; Hepburn, $1,000 to Dominion Loan & Security Co., Winnipeg; Ashmore, $1,200 to Wood, Gundy & Co., Saskatoon; Prospect Valley, $2,800 to Wood, Gundy & Co., Saskatoon; Vancise, $2,500 to Dominion Loan & Securities Co., Winnipeg; Hillmond, $2,200 to Waterman-Waterbury Mfg. Co., Regina.

Villages: Dodsland, $1,800 to Harris, Read & Co., Regina.

Weekly Record of Governme nt and Municipal Bond Sales

Date place and purpose	Purchaser	Rate	Term	Amount	Price	Basis
May 31—Saskatchewan, phones	(See list above)	.....	.....	$131,105	....	.....
May 31—Saskatchewan, schools	(See list above)	.....	.....	38,950	....	.....
May 31—Dodsland, Sask.	Harris, Read & Co., Regina	.....	.....	1,800	....	.....
June 12—L'Orignal, Ont.	R. C. Matthews & Co.	6%	20-ins.	16,000	103.40	5.60%
June 12—Lochiel Township	Ontario Government	6%	10-ins.	11,975	105.00	5.00%
June 12—Lethbridge, Alta.	Aemilius Jarvis & Co.	6%	15-yr.	126,000	99.50	.....
June 16—Miniota, R.M., Man.	A. E. Ames & Co.	5½%	30-ins.	30,000	100.55	5.30%
June 16—Oak Lake, Man.	W. L. McKinnon & Co.	6%	20-yr.	9,000	....	.....
June 13—Kingston, Ont.	Wood, Gundy & Co.	5½%	20-yr.	35,000	103.39	5.23%
June 13—St. Catharines	Bankers' Bond Co.	5½%	20-ser.	100,000	101.637	.....
June 13—Guelph, schools	Canada Bond Corporation	5½%	30-yr.	68,000	102.944	.....
June 13—Guelph, loan	Canada Bond Corporation	5½%	15-yr.	50,000	102,788	.....
June 19—New Toronto, waterworks	C. H. Burgess & Co.	6%	20-ins.	51,000	....	.....

CANADIAN Government and Municipal BONDS

We shall be pleased to furnish our list of investment suggestions on request.

W. A. MACKENZIE & COMPANY

TORONTO CANADA

THE TORONTO GENERAL TRUSTS CORPORATION

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Because this trust company handles many estates, while the individual executor may handle but one in a lifetime, it is able to render special service by employing scientific accounting methods, the best legal talent and sound information about investments. This extra service is obtainable at no greater cost to the estate than that of an individual executor.

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LIMITED

Head Office:

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68

A Word to the Wise

A few wise wills have been made upon death-beds—very few!

Too often details are omitted and important provisions imperfectly stated.

The Mercantile Trust Company has had an extended experience handling estates. Confidential consultation invited. Write or call on us to-day.

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to dispose of your Estate by Will it will be divided according to law. Is it your desire that your Estate should be dealt with in this manner? We have often seen distressing results from the neglect to make a Will. We are always pleased to give our advice to those who contemplate making their Wills and to quote our fees for acting as Executor or Trustee.

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The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

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HEAD OFFICE—MONTREAL
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FIRE INSURANCE COMPANY
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Authorized Capital	$2,000,000.00
Subscribed Capital	1,000,000.00
Paid-up Capital	247,015.79

General Fire Insurance Business Transacted
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The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

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Why the "MUTUAL LIFE of Canada" is so Popular

The Mutual placed upon its books in the first five months of 1919, 100% more business than in the corresponding months of 1918. The wonderful war-record of the Mutual Life and the prompt payment of the many unexpected claims during the recent epidemic—these have proved the value of the institution. The Mutual, moreover, is in a peculiar sense a people's company being in its control democratic, in its economy strictly co-operative. This means that the system is in line with the "Spirit of the Age" and so the people naturally turn to the Mutual. The record of the company for nearly half a century has been one of increasing beneficence, and an ever-growing number of gratified policy-holders help on the good work of the agents. As a result there probably is not a more prosperous group of workers in Canada to-day than the representatives of our company.

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THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

5½% INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of The Great West Permanent Loan Co.

SECURITY

Paid-up Capital	$2,412,578.81
Reserves	954,459.39
Assets	7,086,695.54

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523.08

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

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Investors' Information Bureau

Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

INVESTORS' INSURANCE NOTES

THREE MILLIONS AND A HALF IN COMPENSATION

Huge Sums Paid Out During Year by Workmen's Compensation Board

40,000 CASES

Estimated That Over 500,000 Workmen Are Covered by the Provisions of the Act

The annual report of the Ontario Workmen's Compensation Board shows that during the year, $3,514,648 was awarded for compensation, or $11,600 a day, and $369,346.37 for medical aid, or $1,219 a day, the number of cheques issued per day being 248 for compensation and 139 for medical aid.

Payment was made for 40,930 accidents, 382 of these being death cases, 2,549 causing some degree of permanent disability, 25,446 causing only temporary disability, and 12,553 involving only medical aid.

It is estimated that over 500,000 workmen are covered by the provisions of the act. As the disability in serious accidents often continues into and sometimes beyond the following year, complete statistics can only be given for the prior year. These show that about 75 per cent. of the injured workmen were British subjects, and 25 per cent. foreign, 6½ per cent. being Austrians, 6 per cent. Italians, 5½ per cent. Russians, and 2½ per cent. citizens of the United States. The average weekly wage of injured workmen was $19.06, and the average age 34.07 years.

The total time loss from accidents during the year was 565,526 days; the average length of temporary disability was 21 days. Machinery caused about 32 per cent. of all the accidents; the handling or moving of objects, 28 per cent., and falls of the workmen, 10 per cent. The most prolific individual causes were saws which caused 892 accidents; lathes, 891; presses, 813; hoisting apparatus, 785; abrasive wheels, 781; belts, pulleys, chains and sprockets, 390; of which 7 were fatal; planers, jointers, and edgers, 260; shapers, moulders, and headers, 121; shafting, couplings, and set screws, 75, of which 6 were fatal. Falls from vehicles caused 260; collapse of support, 276. Hot and inflammable substances caused 1,018 accidents; falling objects caused 1,256; and runaway animals, 98.

HEALTH RATES UP

Fidelity & Casualty Co. Finds It Necessary to Raise Rates

Agents of the Fidelity & Casualty Co. have received notice of a material increase in health insurance rates. The new rates wil be effective for new business on the August renewals. While the company does not change the accident insurance rates, the rates for its leading disability policies are increased as follows: One which has been sold for $100 annually will hereafter cost $110; the policy previously selling at $75 will be sold at $90, and the one previously sold at $60 will be sold at $65.

In the letter received by agents the company points out that health insurance business has been conductel at a loss for a number of years. The company had continued to hope that the experience would grow better and that no change in rates would be necessary, but, instead, the experience has grown worse. With this continued high loss ratio, only two alternatives were open; either to increase rates or to reduce commissions to agents. After mature consideration the company decided upon the former course.

MAY LOSSES DOWN

Much Less Than in Corresponding Month of Last Year

The losses by fire in the United States and Canada during the month of May, as compiled from the records of the Journal of Commerce, reach a total of $16,516,300, as compared with $20,545,900 charged against the previous May, and $24,698,800 in May, 1917. This decrease, amounting to nearly 20 per cent., will be appreciated by fire underwriters, particularly as the complaint of reduced premium income is quite general. The losses for the first five months of 1919 aggregate $110,541,225, as against $119,192,035 for the same months last year and $127,108,455 in 1917. The most important fire during May this year was the destruction of the starch works at Cedar Rapids, Iowa, involving a property loss of $3,000,000. There were during the month no less than 190 fires, each causing an estimated property damage of $10,000 or over.

HONORED INSURANCE MAN

Presentation Made to Robert Junkin by Manufacturer's Life

On Wednesday, June 11, in the board room of the Manufacturers Life Insurance Co., Toronto, Robert Junkin, late manager of agencies, who retired the first of the year, was presented with an engrossed address and a purse of gold by the agency force. The presentation was made by J. Burbank, of Brantford, the oldest veteran in the service of the company. Eulogistic remarks regarding Mr. Junkin's good qualities were made by L. W. Waldron, of Hamilton, W. E. Broley, of Elora, and W. E. Young, manager of West Indies agency, all members of the "Old Guard." Alexander Mackenzie, manager of agencies; Dr. T. F. McMahon, medical referee, and Mr. Kleinberg, of Montreal, also added their meed of praise.

Mr. Junkin made a suitable reply and spoke feelingly of his close association with the agency force, and also of the harmonious relations which had always existed between the head office and field force of the Manufacturers Life. During his long service with the company he stated he had found enjoyment in his work. He appreciated beyond measure the good will of the agency force.

The general manager, J. B. Mackenzie, acted as chairman in his usual efficient manner.

TO INCREASE CAPITAL

Hartford Fire Will Add Two Millions of New Stock

The directors of the Hartford Fire Insurance Company have recommended to the stockholders an increase in the capital of the company from $2,000,000 to $4,000,000, the new stock to be sold at $150 a share. The directors express the hope that the company will be able to pay 30 per cent. dividends on the entire $4,000,000 capital after January 1, 1912, if the increase is approved by the stockholders. A special meeting of stockholders will be held on June 25 to act upon the recommendation.

The last quoted price of Hartford Fire stock was $850 bid and $860 asked. For the past six years the company has been paying 40 per cent. dividends annually. While this is a high dividend scale, it is to be borne in mind that in 1916 the stockholders contributed $3,000,000 to meet the San Francisco losses of the company, so the dividend represents 16 per cent. on their investment rather than 40 per cent. If the recommendation of the directors is approved, the new stock, of course, will be taken by the present stockholders, as it will represent an unusually attractive investment for them. As the par value of the stock is $100 a share, the issue of the new stock will add $1,000,000 to the net surplus of the company, bringing the surplus up to nearly $11,000,000. The new stock is to be paid for in three instalments, the last being due before the end of this year. In the event that the increase is made, it is believed that the market value of the stock will be around $600 a share.

TOOK WRONG OPTION

Case Where Policyholder Made an Unfortunate Mistake

VANCOUVER.—By a decision in regard to his insurance policy, made four days before he met his accidental death near Albert Canyon, the late A. B. Clabon, president of the Chamber of Mines, has deprived his estate of $2,000. The circumstances were set forth in an application before Mr. Justice Murphy recently, when His lordship held that the executors were authorized to accept a sum of $3,000 as the surrender value of a paid-up policy for $5,000.

In explaining the situation, A. M. Whiteside, for the executors, said that shortly before his death Mr. Clabon had completed payments on a twenty-year life policy for $5,000. He had written to the head office at Toronto for a list of options, and on October 12 last, four days before his death, sent a letter to the insurance company, accepting their fourth option, namely a cash surrender sum of $3,000. At that time he was in vigorous health and appeared to have a long life before him.

On October 16 Mr. Clabon fell to his death down a ravine near Albert Canyon, and on October 19, being in the meantime unaware of Mr. Clabon's death, the insurance company mailed the cheque as requested.

"I have looked into the cases on the subject and have advised the executors that the contract was completed on October 12, when the letter was mailed," said A. M. Whiteside in asking the court for directions. None of the interested parties appeared to object and Mr. Justice Murphy held the contract to accept the cash surrender value must stand.

CHANGES DURING THE WAR PERIOD IN INSURANCE

Detail of Handling Business Has Not Been Lessened

LEVELLING OF RATES

Overhead Writing, the Once Growing Menace of Agency System, is Rapidly Disappearing

Speaking at the thirty-seventh annual convention of the New York State Association of Local Insurance Agents, held at Syracuse, N.Y., F. W. Day, manager of the Royal Insurance Co., spoke on four year's changes in the insurance business. He said, in part:

"Four years ago I spoke to you concerning the relations of company and agent as affected by conditions then existing, pointing out certain fundamentals compliance with which was essential to the existence and maintenance of satisfactory relations between agents and their companies. During this period the regular and orderly development of the business has been retarded or prevented entirely owing to the abnormal times through which we have been passing. Nevertheless the working out of certain of the conditions I then referred to has proceeded. There has been a constant leveling of rates going on, so that here in the East at least the so-called 'preferred' class is nothing like as prominent or disturbing an element as it was and under existing laws and conditions this process bids fair to continue, and in the best interests of the business it is probably well that it is so, although it must not be forgotten that with any reduction in the average level of rates on profitable classes there must go an average increase on those that are unprofitable, otherwise the average rate will quickly drop below the profit point. In this direction the wise agent will co-operate with his companies by taking the time and pains to properly explain this phase of the situation to his clients.

Control of Business

"Agents have quite generally adapted themselves to the conditions of financial control of local manufacturing enterprises and have put themselves in position to secure large amounts of insurance on local industries they would otherwise have lost; they have had a constantly growing degree of co-operation on the part of their companies in accomplishing this, and, as the ability of the agent to serve has developed so has the willingness of those controlling the insurance to place it through agency channels been demonstrated, until it has come to pass that overhead writing—that once growing menace of the American agency system—is rapidly disappearing.

"Sprinklered Risks.—Owing to conditions prevailing during the past three years the installation of automatic sprinklers in manufacturing plants was reduced to a minimum, but with the gradual restoration of normal manufacturing conditions this form of protection will receive impetus and the wide-awake and well equipped agent will be ready to give the required service to his customers and in most cases will hold the business. In this direction agents will find their companies more than ever ready to assist them.

Schedule Rating

"The orderly processes of schedule rating have been badly interfered with through the depletion of the inspection staffs of the various rating organizations, due to the war, but this condition will be gradually overcome and this most important factor in our business will soon become normal. The wise agent will continue to give this phase of the business the attention its importance warrants for it should not be overlooked that notwithstanding all the defects that may be charged against it, the schedule is the only defensible method of measuring the rate.

"Detail of Handling Business Not Lessening.—It cannot be said that since I last addressed you there has been any appreciable lessening of the detail necessary in handling our business—rather, due to the extraordinary conditions, has it been on the increase—but it is to be hoped now that conditions have again become normal that some attention will be given to this important subject. It must be a fact that in many directions there could be a modification of requirements that would materially help toward the smoother and easier handling of the business by both company and agent without destroying efficiency or jeopardizing safety.

Side Lines

"One of the outstanding developments of our business of recent years, which received a remarkable impetus during the past three or four years, is the extent to which so-called 'side lines' have developed, and the well equipped agent must now be prepared to furnish his clients with not only one, or two, or even three, but a dozen different forms of indemnity. Time was when to be an insurance agent was a comparatively simple proposition. Today the successful agent must be a man of affairs in a very real sense, and the fact that a large majority of agents have kept pace with the march of events and have so equipped their organizations as to be able to take care of the public demand for indemnity of so many varieties is a tribute to their intelligence and business ability.

American Car & Foundry, in its annual report to be issued this month, will show over $100 gross a share earned on the common stock, which, after the very large taxes and other deductions, will bring down the net on the common to between $30 and $31 a share.

CANADIAN ORDER OF
CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

J. L. Davidson, Grand Councillor.
W. F. Montague, Grand Recorder
W. F. Campbell, Grand Organizer.
J. H. Bell, M. D., Grand Medical Ex.
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
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Assets over -	$4,000,000.00
Losses paid since organization, over -	$45,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.

Assets over -	$7,000,000.00
Losses paid since organization over -	$74,000,000.00

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5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

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For the well groomed man
TEXEND BRACES
Finer than the imported
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NEW HOLIDAY TRAIL THAT IS UNEXCELLED

The beauties and vacation attractions of the Canadian Rockies and the scenic seas of the North Pacific coast are described in an illustrated folder just issued by the Grand Trunk Pacific Railway. Jasper Park and Mount Robson Park are among the great regions in the Alpine kingdom opened up by the railway to tourists and sportsmen. Canada's highest peaks, with scores of glaciers and lakes, can be inspected in their full majesty from the railway line. The traveller may stop off at an Alpine camp, where there are the comforts of a hotel in the heart of the mountains, making delightful daily excursions afoot or on horseback. Upon reaching the Pacific coast at Prince Rupert, the famous Grand Trunk Pacific oil-burning steamships are ready to carry you through the "Norway of America" to Vancouver, Victoria or Seattle—one of the world's finest, yet most sheltered, sea voyages. Plan your trip now and write to nearest Grand Trunk agent for copy of folder, "The Canadian Rockies—Mount Robson Route—Scenic Seas of the North Pacific Coast."

IMPROVEMENT IN VANCOUVER REAL ESTATE

Rural Municipalities Around the City Share in Movement

RENTALS HAVE RISEN

Business Property Rents Go Up by Twenty-five Per Cent. in the Past Twelve Months

By HUGH M. FRASER,
President, Dow Fraser Trust Co., Vancouver.

The real estate situation in the city of Vancouver proper has in the past twelve months shown a marked improvement, especially in what is known as improved residential lands, and the demand for houses is greater than the supply; hence the rise in values, and an almost abnormal increase in rentals, so much so, that there is a beginning of building of homes to supply the demand. In this connection the homes now being erected are smaller in size than heretofore. The tendency was to build large homes, but with the increased cost of help and heavy charges of maintenance of large properties, the situation is entirely different.

Vancouver district would include in its area the adjoining municipalities of Point Grey, South Vancouver, Burnaby and North Vancouver. The first three named are settled largely by suburban dwellers whose occupation is in the city of Vancouver proper. Transportation facilities to these districts make them admirably adapted for the suburban residential districts.

Point Grey is in a strong position; the municipality is well managed, with good roads and not excessive taxation. Values of improved properties have materially increased and the values of vacant lands show an increase of twenty-five per cent. over the past few years.

South Vancouver

South Vancouver as a municipality has gone through a hard financial struggle and at present the reports indicate that they are making headway towards a stronger and better position. This has a tendency to create confidence in the district, resulting in vacant homes being filled up and an occasional purchase by a new-comer. Values are still low, but will increase in the near future.

Burnaby has maintained a very strong financial position during the period of the war. A conservative policy was outlined and enforced by the officials, resulting in a low tax rate and careful expenditure of moneys for the proper maintenance of the utilities and schools and in an influx of settlers to that district to such an extent that small improved holdings are at a premium and real estate values in improved land are coming back to normal, and resulting in a stiffening in prices of the unimproved lands to at least fifty per cent. over twelve months ago.

North Vancouver is benefiting by the shipbuilding and industries located on Burrard Inlet, the water front for the north shore. Residential and business property in the city or North Vancouver shows a marked increase. The suburban and unimproved lands are not quite so brisk as yet.

Vancouver City

As for the city of Vancouver proper in the business districts the land values have stiffened considerably. Rentals for business property have increased twenty-five per cent. in the past twelve months. Owners are holding back on entering into new leases for a long term of years at the present rental values, as the belief exists that rental values for business property must increase shortly. There is very little building going on in the business section, but the large buildings that suffered by lack of tenants in the past four years are rapidly filling up.

With reference to farm lands, contiguous to Vancouver, will say that there is a demand for fruit and farm lands in the Fraser Valley; in the first place by returned men and Soldiers' Settlement Board, also the newcomers from the prairie, who desire to locate at the coast to take advantage of the salubrious climate we enjoy in this favored locality.

BUILDING REVIVES

Much More Activity Now Noticeable In City of Vancouver

By Special Representative

VANCOUVER. — Notwithstanding the spirit of unrest, building operations which started again about four months ago, after a lapse of four years, are continuing, and already many new houses in the better residential districts have been erected, due to the unusually heavy demand for houses and the gradually rising rents both in houses and apartments. Within the last month the first suburban subdivision to be offered on the Vancouver market in over four years was completely sold out within a couple of days, and since that time a couple of others have been advertised with good selling results.

The action of the B. C. electric railway in offering to finance their employees who wished to build, up to a certain amount, has doubtless stimulated building to some extent. Two or three building companies have announced their intentions of commencing the construction of a considerable number of houses in the Canadian Pacific Railway area back of Shaughnessy Heights. These houses are built on comparatively easy terms, payment for which is extended over six years at six per cent.

These operations will absorb many men who are now available on the labor market, and with the taking up of additional large numbers upon commencement of the Federal Government's railway development scheme from New Westminster along the Fraser, skirting Point Grey, and along Kitsilano to False Creek, it is felt that the situation in Vancouver will be materially improved, resulting in a much more confident business feeling for the future.

MUCH BUILDING IS IN SIGHT

Toronto Has a Good Many Large Projects Which Will Shortly be Proceeded With

With building permits to the value of $5,000,000 issued in Toronto up to the end of May, the revival in construction anticipated following the war seems about to be realized. There are numerous big projects in sight, which do not figure in the permits as yet, and as these materialize there will be further important gains to record.

The demolition of the old customs House at the corner of Front and Yonge Streets is proceeding rapidly, and the erection of the immense new Government building which is to extend along the south side of Front Street, from Yonge to Bay, will shortly be commenced. At the north-west corner of King and Yonge Streets, a new skyscraper is projected, which is commonly assigned to the Imperial Bank of Canada. There are two big theatres in immediate prospect, Pantages to be located on Victoria Street, between Shuter and Dundas Streets, with entrance on Yonge Street, and an up-town Loew's theatre near the corner of Bloor and Yonge Streets.

The Dominion Bank has acquired the property at the south-west corner of Queen and Bay Streets, just opposite the city hall, and will build at once a two-storey banking house. The lot is 77.6 feet on Bay by 70 feet on Queen, and it is understood the purchase price was about $300,000. On the east side of Yonge Street, opposite Albert Street, the wrecking of buildings has commenced, preparatory to the erection of a new store for the Adams Furniture Co.

There are a good many industrial undertakings under way or in prospect in various parts of the city, some being entirely new buildings and others merely additions or enlargements. House building in the outskirts is on the increase, while the Board of Education has a big program of work to catch up with the pressing demand for more school accommodation. Altogether the outlook for building is most reassuring.

MANY LOANS MADE

Brisk Demand For Mortgages Reported from Hamilton

According to the Hamilton Spectator, loan companies are doing considerable business locally at good interest rates. In the past week, according to local conveyancers, mortgage loans to the amount of $350,000 were concluded on city properties at from 6 to 9 per cent., some building loans being among these. Some of this money came from out-of-town lenders. The average prevailing rate for private lenders is 6½ per cent., and for loan companies 7 per cent.

FRUIT FARMS IN DEMAND

Big Back to the Land Movement in Niagara District

A very noticeable back to the land movement has been in evidence in the Niagara district lately and along the Erie coast section as well. Following the armistice, according to one real estate man, there began apparently a veritable exodus to the country. "There has never been such demand for farms as there is to-day," he stated. The majority of these are grain farms, but there is a brisk demand for fruit land also, and this is turning over at really remarkable figures. In some instances the sales have been made to returned soldiers, but in these cases it has been largely to young men who have five or ten thousand to invest, as farm land in these sections is too costly to interest the Government in the scheme. Some purchasers, of course, have adopted the course of augmenting the Government loan, but this method of trading is not in high favor, as the Government is not very prompt in its payment, and it may be a year after the negotiations were started before the deal could be finally closed.

The town of Beamsville, that unquestionably must have suffered from the loss of the R.A.F. training camp, is nevertheless in the very heart of this boom, and town lots are moving almost as briskly as the farms in the surrounding country. Real estate men can find no way of accounting for this movement, other than the twin difficulties of the housing problem, and the cost of living that may be driving people away from the cities.

PROGRESS OF HOUSING

Many Ontario Municipalities Take Up The Housing Scheme

To date, it is reported that 19 cities, 29 towns, 13 villages and 9 townships have come in under the Ontario Government's housing scheme. There are only four cities, Belleville, Kitchener, Kingston and Peterborough, that have not yet accepted Government assistance.

The municipalities that have already come in under the plan are doing things on a large scale. In fact, they have made such heavy financial demands that their estimates have had to be pared down, although this trimming will in no way delay the work this year. It is estimated by Government officials that about ten and a half million dollars will be loaned to the municipalities this year, of which the Dominion Government will furnish eight and a half millions. Of this ten and a half million, it is expected five millions will be actually expended this year. But next year, with all the local commissions organized, it is said the Government will in all probability be called upon to loan $15,000,000 to the municipalities.

PROFIT-SHARING SCHEME

Dominion Sheet Metal Corporation Adopts Plan

HAMILTON—The Dominion Sheet Metal Corporation, one of Hamilton's largest industries, has inaugurated a profit-sharing scheme for employees. Eight per cent. preferred stock will be offered to the employees, the number of shares to be based upon earnings. The offer will be made at par, although the stock has been selling at from 110 to 112 in a limited way.

The employees are to pay for the stock at the rate of 2 per cent. per month. They will be credited with the 8 per cent. dividend at the rate of 2 per cent. each quarter, and no charge will be made for interest or unpaid balances.

The arrangement means 14 per cent. annual credit and no interest charge.

FIRST ISSUE

SAGUENAY PULP AND POWER COMPANY

$5,500,000.

6½%

SERIAL SECURED GOLD BONDS

Redeemable by series, from July 1st 1921 to July 1st 1934.

SECURITY FOR BONDS:

This issue is secured by **$7,125,000** of the **first mortgage securities** and by **$10,621,000** of the Preferred and Common shares of the following companies, representing the absolute control of same.

CONTROLLED COMPANIES:

THE CHICOUTIMI PULP COMPANY
THE SAGUENAY LIGHT & POWER COMPANY
THE ROBERVAL-SAGUENAY RAILWAY COMPANY
THE CHICOUTIMI PORT COMPANY
THE ST. LAWRENCE PULP AND LUMBER CORPORATION.

THE CHICOUTIMI PULP COMPANY is the largest producer of Wood Pulp in the World.

Denominations: $100, $500, $1,000.

WHERE PAYABLE: Principal and Interest payable in Gold Coin at the option of the Bearer (or of the registered holder) at:

THE MOLSONS BANK, IN MONTREAL AND QUEBEC.
THE BANQUE D'HOCHELAGA, IN MONTREAL AND QUEBEC.
THE NATIONAL PARK BANK OF NEW YORK, NEW YORK, U.S.A.

The first interest coupon will be for seven months and will mature on the 1st of January 1920. Thereafter, the interest coupons will mature half yearly on the 1st of July and 1st of January of each year.

REGISTRATION: Bonds may be registered as to principal, free of charge, at the Office of THE CROWN TRUST COMPANY, Montreal.

REDEMPTION: The Company reserves the right to redeem the Bonds, by drawing, in whole or in part at 102% and accrued interest upon thirty days' notice, on any interest date.

TRUSTEE: THE CROWN TRUST COMPANY, Montreal.

LEGALITY: Messrs. Beique & Beique and Messrs. McGibbon, Mitchell, Casgrain, McDougall & Stairs, Solicitors, have passed upon the validity of these Bonds. Trust Deeds have been passed before Mr. R. Faribault, N.P., Montreal.

Price: Par and Accrued Interest.

GENERAL INFORMATION:

PRODUCTION.— The Chicoutimi Pulp Co. is the largest pulp producer in the world, it produces at present 110,000 tons of mechanical pulp per year, and its production will be increased to 130,000 tons as soon as the new plant is in operation.

TIMBER LIMITS.— The Chicoutimi Pulp Company possesses or controls 2,395 square miles of timber limits of which 774 square miles are Freehold. Experts estimate that 20,800,000 cords of pulp wood can be cut on these limits.

WATER POWER.— The Chicoutimi Pulp Company possesses water powers capable of developing about 45,000 h.p. of which 30,000 h.p. are now utilized. The Saguenay Light & Power Company owns or has under lease about 160,000 h.p. and utilizes at present 9,200 h.p.

PROFITS. — The four companies whose bonds and shares are pledged as security for this issue show profits as per certified statements of Marwick, Mitchell, Peat and Company, for the year ending Dec. 31st, 1918, after deducting cost of operation and management, of $1,081,509.54, as follows:

The Chicoutimi Pulp Company	$819,596.50
The Saguenay Light and Power Company	133,730.56
The Roberval-Saguenay R. R. Co.	105,002.88
The Chicoutimi Port Company	23,179.60
	$1,081,509.54

The entire output of the Chicoutimi Pulp Co. for 1919 is sold at prices which justify estimating the profits of these companies at $1,200,000 for the current year.

PURPOSE OF THE PRESENT ISSUE

The present bond issue of $5,500,000 is made for the purpose of consolidating under a single issue the Bonds and other securities of the group of Chicoutimi companies now owned by the Saguenay Pulp and Power Company, and to provide ample working capital; provision is also made for RESERVE and SINKING FUNDS.

BOARD OF DIRECTORS:

Hon. **F. L. BEIQUE**, Senator, Vice President of the Hochelaga Bank and Director of the Canadian Pacific Railway.
Mr. **EDWARD C. PRATT**, General Manager of The Molsons Bank.
Mr. **LOUIS CHABLE**, Vice President of American Paper Exports, Inc. New York.
Hon. **J. M. WILSON**, Senator, director of The Hochelaga Bank, director of Montreal Tramways.
Mr. **J. E. A. DUBUC**, Chicoutimi.
Mr. **JOS. QUINTAL**. President of the Montreal Chamber of Commerce.
Hon. **NEMESE GARNEAU**, M.L.C., Quebec. Director of Provincial Bank of Canada.
Mr. **R. F. HAMMOND**, Vice President Craig-Becker Company Inc. New York.
Mr. **JOHN T. STEELE**, Buffalo.

Orders received and further information supplied by any of the following firms:

RENE-T. LECLERC
Banker
Established in 1901
160 St. James St., - Montreal

BEAUSOLEIL LIMITED
Financial Agents
112 St. James St., - Montreal

VERSAILLES, VIDRICAIRE, BOULAIS, LIMITEE
MONTREAL 90 St. James St.
QUEBEC 198 St. John.

PROVINCIAL SECURITIES Limited
105 Mountain Hill
QUEBEC

McCUAIG BROS & CO.,
Members Montreal Stock Exchange
Corner Notre Dame and St. Francois-Xavier
MONTREAL

CREDIT CANADIEN, Incorporé
Financial Agents
99 St. James St., - Montreal

L. G. BEAUBIEN & CO.
Members Montreal Stock Exchange
MONTREAL 50 Notre Dame W.
QUEBEC 70 St. Peter St.

AND ALL BRANCHES OF

The MOLSONS BANK AND The HOCHELAGA BANK

ACTING ON BEHALF OF THE MEMBERS OF THE UNDERWRITING SYNDICATE.

Report of the Board of Directors to the Shareholders of the DOMINION STEEL CORPORATION, LIMITED

Presented at the Annual Meeting on Monday, 16th June, 1919

Your Directors submit herewith the Consolidated Balance Sheet as at March 31st, 1919, and the Profit and Loss Account for the year ending at that date.

PROFIT AND LOSS ACCOUNT.

The earnings for the year after deducting all expenses incident to operations including repairs and maintenance, administration and selling expenses, and Business Profits Tax for the year ending 31st March, 1918, but exclusive of Bond Interest and before making allowance for depreciation and exhaustion amounted to $8,768,054.39.

From this amount there has been reserved for depreciation of plants and properties, sinking funds, etc., the sum of $1,304,322.93.

Disbursements for Bond Interest amounted to $1,013,263.24.

During the year, in addition to the regular dividends on the Preference Shares of the Corporation and the Preferred Stocks of the Dominion Coal Company and the Dominion Iron & Steel Company, two quarterly dividends of one and a-quarter per cent. each and two of one and a-half per cent. each making five and a-half per cent in all, were paid to the holders of the Common Shares of Corporation. The total disbursements for dividends amounted to $2,745,373.50.

The surplus on the year's operations after making the above provisions and dividend payments was $3,705,094.72. To this is added the balance carried forward at April 1st, 1918, $13,754,157.26 making a total of $17,459,251.98. From this amount your Directors have reserved $1,000,000 for contingencies including Government Taxes for the year ending March 31st, 1919.

During the period which has elapsed since April 1st, 1915, the total expenditure upon construction and for the acquisition of new properties was approximately $11,500,000, and as the whole of this amount was provided from earnings your Directors have thought it well to set apart an equivalent portion of the surplus of the Corporation as a General Reserve. For this purpose $8,500,000 has been transferred from Profit and Loss Account together with $3,000,000 from Special Reserve brought forward from last year. The balance remaining at credit of Profit and Loss Account is $7,959,251.98.

BALANCE SHEET.

The net additions during the year to Cost of Properties amounted to $8,092,087.07. The chief expenditures were upon the property of the Dominion Iron & Steel Company and principally in respect to its mines at Wabana, its Coke Ovens and Ship Plate Mill.

Sometime after the close of the Company's fiscal year, the Minister of Marine intimated that it would be necessary to consider some alteration in the arrangements existing between the Government and the Steel Company in respect to Ship Plates and that work upon the Mill should be suspended while the matter was under consideration. Work was accordingly stopped, but although some preliminary discussions have followed, nothing definite has been proposed. Your Directors are assured that whatever may be the ultimate decision of the Government, it will not result in any loss to the Company.

Consequent upon the large expenditures during the year there has been a decrease of $1,412,548.38 in current and working Assets. There is also an increase of $2,251,474.77 in Accounts Payable chiefly due to the inclusion of Contractor's Accounts for work in progress, payment of which is not due, and of the estimated liability of the Corporation for Federal and Provincial Taxes.

The surplus of current Assets over current Liabilities at 31st March, 1919, was $14,039,836.65.

Funded and Mortgage Debts have been decreased by the sum of $376,680.53 chiefly by the retirement of Bonds through the operation of their respective sinking funds.

OUTPUT AND SHIPMENTS.

COAL. The total production from all Collieries for the past five years was as follows:

Year ending 31st March, 1919	3,622,644	gross tons
" " 1918	3,781,615	"
" " 1917	4,279,772	"
" " 1916	5,261,198	"
" " 1915	4,550,612	"

IRON AND STEEL. The following table gives the annual production of the principal classes of iron and steel in the last two years:

	Year end. 31st Mar., 1918	Year end. 31st Mar., 1919
Pig Iron	332,231	307,863
Steel Ingots	374,332	341,603
Blooms and Billets for sale	139,557	47,890
Rails	17,103	164,972
Wire Rods for sale	73,650	26,746
Bars	1,542	1,459
*Wire	27,165	6,043
Nails	16,347	5,508

*This includes wire used in the manufacture of nails in next line.

OBITUARY.

Your Directors have to express their deep regret for their loss through the death of Mr. W. D. MATTHEWS, for many years a Director of the Dominion Coal Company, and Brig. General the Hon. JAMES MASON, a Director of the Corporation as well as the Coal & Steel Companies.

STAFF.

Your Directors have pleasure in expressing their appreciation of the service rendered by its officers and by the officers and employees of the Constitutent Companies.

All of which is respectively submitted.

For the Board of Directors
MARK WORKMAN,
President.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the fiscal year ending March 31, 1919.

Net Earnings (including interest on Investments and Surplus funds), after deducting all Manufacturing, Selling and Administrative Expenses, and Government Taxes for the year ending March 31, 1918, but before charging provision for Sinking Funds, Depreciation and Interest..		$8,768,054.39
Deduct—Provision for Sinking Funds, Depreciation and Renewals, etc		1,304,322.93
		$7,463,731.46
Deduct also		
Interest on Bonds and Debentures		1,013,263.24
		$6,450,468.22
Less—Preference Dividends for year ending March 31, 1919:		
Dominion Steel Corporation, Limited	$420,000.00	
Constituent Companies	560,000.00	980,000.00
		$5,470,468.22
Add—Balance April 1, 1918		13,754,157.26
		$19,224,625.48
Deduct Dividends on Common Shares of Dominion Steel Corporation Limited (aggregating 5½ per cent)		1,765,373.50
		$17,459,251.98
Deduct:		
Reserve for Contingencies, including Government Taxes for year ending March 31, 1919	$1,000,000.00	
Transferred to General Reserve	8,500,000.00	9,500,000.00
Balance March 31, 1919		7,959,251.98

CONSOLIDATED BALANCE SHEET AT MARCH 31, 1919.

ASSETS

Cost of Properties	$91,007,601.24	
Less—Reserves for Depreciation and Exhaustion of Mineral Areas	15,497,890.23	$75,509,711.01
Cash in hands of Trustees		142,432.26
Current and Working Assets:		
Inventories of Finished Products, Materials and Supplies at approximate cost, less reserves	$9,314,602.07	
Accounts Receivable	5,039,479.27	
Employees balances on Victory Bond subscriptions	174,932.86	
Investments in War Loans, etc	1,540,101.28	
Cash in hand and in Banks, Secured Loans, etc	3,603,542.12	19,672,657.60
Deferred Charges to Operations:		
Insurance and other expenses paid in advance		585,811.59
		$95,910,612.46

We have audited the books and accounts of the Dominion Steel Corporation, Limited and its Constituent Companies for the fiscal year ending March 31st, 1919, and we certify that the above Balance Sheet is properly drawn up and in our opinion shows the true financial position of the Combined Companies at March 31st, 1919, and that the relative Profit and Loss Account is a fair and correct statement of the results of the operations for the year.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

LIABILITIES

Funded and Mortgage Debt:			
Dominion Coal Company, Limited:			
First Mortgage 5% Bonds (due 1940)			$ 6,016,500.00
Dominion Iron & Steel Company, Limited:			
First Mortgage 5% Bonds (due 1929)		$ 6,379,000.00	
Consolidated Mortgage 5% Bonds (due 1939)		7,262,526.67	13,641,526.67
Cumberland Railway & Coal Company:			
First Mortgage 5% Bonds (due 1940)			1,142,000.00
Dominion Steel Corporation, Limited:			
5% Five Year Debentures (due 1915)		2,000.00	
5% Five Year Notes (called for redemption)		13,626.77	
6% Employees' Debentures		14,443.80	30,070.57
			$20,830,097.24
Deferred Payments on Properties			234,000.00
Current Liabilities:			
Current Accounts Payable, Wages accrued, etc		2,702,237.11	
Other Accounts Payable, including Liabilities on Construction and Government Taxes for 1918		2,125,693.04	
Accrued Interest on Bonds		235,925.30	
Dividends Declared		568,965.50	5,632,820.95
Reserves:			
Furnace Re-lining and other Reserves		1,548,742.29	
Reserve for Contingencies, including Government Taxes for 1919		1,000,000.00	
Preferred Stock Dividends accrued		105,000.00	
Outstanding Stock Interests in Constitutent Companies		3,000.00	2,656,742.29
Capital Stock:			
Preference Shares of Corporation (6%)		7,000,000.00	
Preferred Stocks:			
Dominion Coal Company, Limited (7%)	3,000,000.00		
Dominion Iron & Steel Company, Limited (7%)	5,000,000.00	8,000,000.00	
Common Stock of Corporation	37,097,700.00		
Less held by Constituent Companies	5,000,000.00	32,097,700.00	47,097,700.00
Surplus:			
General Reserve, which includes Special Reserve $3,000,000 shown on last year's Balance Sheet		11,500,000.00	
Balance at Credit of Profit and Loss Account, as per statement attached		7,959,251.98	19,459,251.98
			$95,910,612.46

NOTE.—In addition to the Bonds Outstanding, as stated above, £734,000 Consolidated and $921,000.00 Cumberland Bonds are deposited as security to 5 Year Secured Notes which have been called for redemption of which only $13,626.77 remain outstanding.

Misrepresenting the Manufacturer

Continued from page 1

general manager. No criticism had been made of the two latter. It was passed without objection. The Parsons-Harris clique regarded it as an endorsement of their speeches or policies. I asked Mr. Bittues if this was the case. He answered very decisively:

"Most certainly not. I made the motion to stop a discussion that Parsons should never have brought up."

No member of the Association knows better than Mr. Bittues the importance of maintaining the most friendly relations with the merchants, and how so ill-timed and offensive a letter would injure the splendid relations he and men like him have built up for Canadian manufacturers in every centre in the country.

There is no question but that Mr. Parsons meant well. He believed he was doing a great service for the Association and has repeatedly complained that though he was no longer president, he had to give so much time to its affairs. But he liked it and this is the secret of many a good man's fall from the pedestal where his public services placed him. No president ever worked more conscientiously or gave more time to our affairs.

The late E. A. Macdonald, local politician and mayor of Toronto, used to spend many Saturday nights at poker at the Press Club with newspaper men, among whom he built up a large circle of good friends. To them his constant request was, "Boys, if you can't say a good word for me, attack me. Don't let me out of the public eye." Some may think this is the policy that actuates Mr. Parsons, for Rev. Mr. Burns charged him with making threats against the Methodist Church "that had better be left unsaid." Rather from my observation I would attribute his bobbing up, speaking for the manufacturers and capitalists whenever excuse offered, to a touch of vanity, a love of applause. Nothing turns a man's head so badly.

I have seen many an ex-president go wrong. I remember when a large delegation from the C.M.A. made an important tour, when frequent speeches were necessary, the then president, and much the abler man, complained that his immediate predecessor was always butting in and making the responses for the Association. Finally the committee had to take steps to keep the ex-president in the background, and it was no easy task

Perhaps the most interesting case was in a small Association of wholesalers, which a number of our readers will recognize. A new president was elected each year and eventually everything went to him who waited. This was a member who had a safe little business in one of the smaller centres. One of the presidential duties was to represent Canada at an annual business convention in Atlantic City. He went on the platform there before a large audience. His appearance was a handicap but he made one of the best Canadian addresses I ever heard. He got a tremendous reception and was deservedly lionized during the meeting. We published his address in full and told of the hit he made. He came to me one day to say he had so many requests to speak in the States and Canada that he had come to the conclusion that he had mistaken his calling. His place was the public platform. I tried to dissuade him, pointing out what a nice business he had and how precarious was the public taste. It was no use; he had the disease. For some time he was employed by the Y.M.C.A., then as organizer for a secret society. Finally he lost his business and when I last saw him he was selling stock for a small and doubtful Life Assurance Co.

RECOGNIZING LABOR

W. S. FISHER, St. John, N.B., the new vice-president of the C.M.A., said that not only did he agree with the policy of THE FINANCIAL POST towards labor but that the Maritime Province branch, at his suggestion, had invited the president of the Trade and Labor Council of Canada, Mr. Moore, to be present at and address their annual meeting, yet the pinheads who have been misdirecting the policy of the national association still believe that the association has nothing in common with labor, and abuse us for suggesting that it has.

Stock Movements of the Week

Week ending June 19, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to June 12
Banks—							
Commerce	205	204	204	203	204	41	5.88
Dominion	204½	204	205	202½	204½	202	5.82
Hamilton	184	183½	184	183¾	184	50	6.52
Hochelaga	...	...	154	154	154	1	6.00
Imperial	200	199	200	199	200	26	6.06
Merchants	198	...	197½	194	197½	431	5.64
Molsons	197	193	194	193	193	73	6.12
Montreal	...	215	217	215	216	116	5.58
Nova Scotia	...	273	277	275	277	18	5.79
Royal	...	215	215	214	215	87	5.60
Standard	...	214½	214½	214½	214½	29	6.07
Toronto	200	199½	200	199½	200	26	6.00
Transportation—							
Barcelona	10¼	10⅛	10¼	10	10	245	
Brazilian	59¾	59½	59¾	57	59¾	2,632	...
Can. S. S., com	50	49½	50⅝	49	50	969	8.00
Do, pfd	85	84¾	87	84¼	84¾	1,147	5.98
Detroit United	104¾	104¼	106	100½	105	899	7.54
Duluth-Superior	30	29	29	29	29	5	6.45
Quebec Ry	21	20	19½	19	19	610	...
Toronto Ry	40½	39½	40½	39	40½	262	...
Twin City	50	48	51	50	50	22	7.54
Telegraph, Light and Power—							
Bell Telephone	118	117	119¼	118	118	464	6.77
Consumers Gas	...	147½	150	147½	148	37	6.62
Mackay, com	79½	78½	80	78¾	79½	163	7.50
Do, pfd	68	67	67⅛	66	67	50	5.97
Mont. L. H. & P.	89¼	89	90	89	89	1,140	4.44
Shawinigan	125	123	124	121	123	330	5.64
Industrials—							
Ames-Holden, com.	42	...	43	42	42	435	...
Do, pfd	...	...	86	83½	86	365	...
S. C. Fish, com	...	...	53½	53½	53½	20	9.25
Brompton P., com.	64	63¾	64¼	62½	64¼	845	7.69
F. N. Burt, com.	...	88	92	90	92	1.05	8.88
Do, pfd	...	94¼	95½	95½	95½	59	7.36
Gen. C. & F., com.	33	31	31¼	30	31	605	...
Do, pfd	93	91	91½	90	90	220	7.69
Can. Cement, com.	69	68½	68⅞	67	68	505	8.82
Do, pfd	...	101½	101½	100	101½	309	7.00
Can. Converters	57	55	57	57	57	20	8.62
Can. Cottons, com.	81	...	84	82	82	50	7.22
Do, pfd	...	85	85½	85½	85½	60	6.97
Can. Loco., com	79½	78½	80	76	79⅜	696	7.89
Do, pfd	...	...	94	94	94	25	7.44
Can. Gen. El., com.	115	...	113	112	112	35	7.01
Carriage F., com.	...	...	15	15	15	25	...
City Dairy, com	...	60	62	62	62	2	...
Do, pfd	...	94	94½	94½	94½	20	7.69
Dom. Can., com	47½	46½	47¼	45	47	787	...
Do, pfd	91	...	92	91	91	15	7.77
Dom. Steel, com.	65½	65¼	67	64¼	65¼	3,262	8.95
Dom. Iron, pfd	...	...	97	97	97	10	7.07
Dom. Textile, com.	112¼	112	113	109	112	955	6.95
Do, pfd	107	104	105	105	105	5	6.73
Goodwins, pfd	...	...	60	60	60	165	...
Inter. Petroleum	...	...	31.00	31.00	31.00	100	...
Laurentide	227½	226¾	227½	219	227	2,441	5.38
Lyall Const., com.	70	68	68	68	68	75	12.12
A. Macdonald, com.	29½	29	29¾	29	29¾	655	...
Maple Leaf, com.	168	166½	167½	165½	167	267	598
Do, pfd	...	105	105½	105½	105½	8	6.66
Monarch K., com.	...	60	60	60	60	3	...
Do, pfd	...	90	92	92	92	35	7.77
N. S. S. & C., com.	...	83	85	78½	82	580	5.68
Ogilvie Flour, pfd.	...	...	108	108	108	90	6.36
Ont. Steel P., com.	...	...	82	82	82	75	...
Penman's, com	...	94½	98⅜	93	93¼	55	6.45
Do, pfd	...	...	91½	90	90	60	6.66
Riordon Pulp, com.	...	...	127	126	126	35	7.93
Russell Motor, pfd.	90	87	88	88	88	5	7.95
Sawyer-M., com	20	...	20	19	19	40	...
Do, pfd	55	...	55	55	55	100	...
Smith Paper, com.	...	...	81	77	77	100	...
Do, pfd	...	...	90	90	90	50	8.23
Spanish Riv., com.	33	32	32	27¾	31¾	11,012	...
Do, pfd	...	...	107	102½	106¾	3,077	...
Steel of Can., com.	70	69	70	67	70	3,532	8.45
Do, pfd	98¼	97¾	98¼	97½	98	269	7.21
St. Lawr. Fl., com.	109	108¾	109	106½	108	425	5.40
Tooke Bros., com.	....	35	35	35	5	2	...
Tuckett Tob., com.	40	...	49	49	49	5	...
Wabasso Cotton	...	85	86½	85	86	156	6.81
Wayagsmack, com.	49	48	49	49	49	125	...
Woods Mfg., pfd.	...	...	87	87	87	25	8.04

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7% Cumulative Preferred Stock, with 25% bonus in Common Stock. Unusual possibilities for appreciation and profit. Full particulars on request.

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Canada Life Building, TORONTO

DEAL CLOSED WITH BALDWINS, LIMITED

Announcement Made With Regard to Canadian Plant of Welsh Tinplate Makers

The negotiations with Baldwins, Ltd., the Welsh tinplate makers, for the purchase of the British Forgings plant in Toronto, and the establishment of extensive works for the production of steel plate and other products on a big scale have been brought to a successful conclusion, according to a statement to THE FINANCIAL POST by R. Home Smith, member of the Harbor Commission, on whose property the plant is to be located. Details are for the present lacking, according to Mr. Smith, who explains that the deal was completed following negotiations with J. C. Davies, representing the company, who was in the country for about a month conducting his inquiries. The matter has also been taken up in England by Sir Joseph Flavelle, chairman of the Munitions Board.

The enterprise promises to be one of the most important in the country. It is proposed to expend between two and three million dollars on plant, and a couple of thousand men will be employed at the outset. Much, THE FINANCIAL POST understands, will depend upon the treatment of the company and its interests as to future expansion. Toronto has not offered much encouragement to big business in the past, and it is to be hoped that there will be a change of attitude in this case.

REORGANIZATION MEXICAN POWER

Plans Have Been Worked Out and Adopted by the Bond Holders

Reorganization of the Mexican Northern Power Company of the holders of the six per cent. prior lien bonds and the five per cent. first mortgage bonds. Under the new arrangement the assets and property of the company are sold to a new company, the Northern Mexican Power & Development Company, Limited, to be organized under the laws of Ontario, the consideration to be $3,000,000 fully paid 7 per cent. preference stock and $10,000,000 fully paid common stock of the new company.

(a) To approve a plan of reorganization adopted by the committees representing the bondholders, which is on deposit at the Toronto and Montreal offces of the National Trust Co., Ltd., and the Canadian Bank of Commerce, London, Eng.

(b) To authorize the Montreal Trust Co. to accept and receive on behalf of the holders of the 5 per cent. first mortgage bonds $10,000,000 fully paid common stock of the new company instead of $10,000,000 first 5s, the common stock to be distributed so that the bondholders depositing their bonds with the July 1, 1913, and subsequent coupons attached will receive in exchange an equal amount of common stock in the new company.

(c) To authorize the Montreal Trust Co. to sell the assets and property of the company to a new company, the Northern Mexican Power & Development Co., Ltd., to be organized under the laws of Ontario, the consideration to be $3,000,000 fully paid 7 per cent. preference stock and $10,000,000 fully paid common stock of the new company,

(d) To authorize the Montreal Trust Co. to accept in behalf of the holders of $1,940,900 prior lien bonds $2,911,400 fully paid 7 per cent. preference stock of the new company, the stock to be distributed, so that the bondholders depositing their bonds with the July 1, 1917, and subsequent coupons attached will receive $150 in preference stock for every $100 of bonds.

DETROIT UNITED

The activity in Detroit United has continued this week although prices have been somewhat off from the best. Sales were recorded down to 103½ as compared with a recent high of 107½.

QUEBEC RAILWAY

Activity in Quebec Railway has continued this week with a weaker tendency in evidence, the price working down from 21 to 18½.

TORONTO RAILWAY

More interest has been shown recently in Toronto Railway with a fair [illegible] of business around 40.

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